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ABSTRACT

This teaching manual is designed to help students with special needs learn and apply recordkeeping skills in agriculture. The material applies specifically to recordkeeping for a supervised agricultural experience program. The units presented here supplement the curriculum guide, "Developing Programs of Supervised Agricultural Experience." The document begins with an instructor's guide containing a general preface, notes to the instructor, a list of references, a list of competencies addressed, a special needs follow-up questionnaire, a class progress chart, and answer keys to skill sheets, activity sheets, and lesson tests. Following this, eight self-paced lessons cover receipts; expenditures; cash flow; inventory; financial statement; business agreements; ownership business agreements; and placement training agreements. Each unit consists of some or all of the following color-coded components: a page with introduction, objectives, specific competencies listed as study questions, and a short student assessment form; terms and their definitions; steps of procedure which present a verbal and illustrated step-by-step explanation of a given skill or task; skill sheets with paper and pencil exercises; activity sheets; lesson test; and performance checklist. (YLB)

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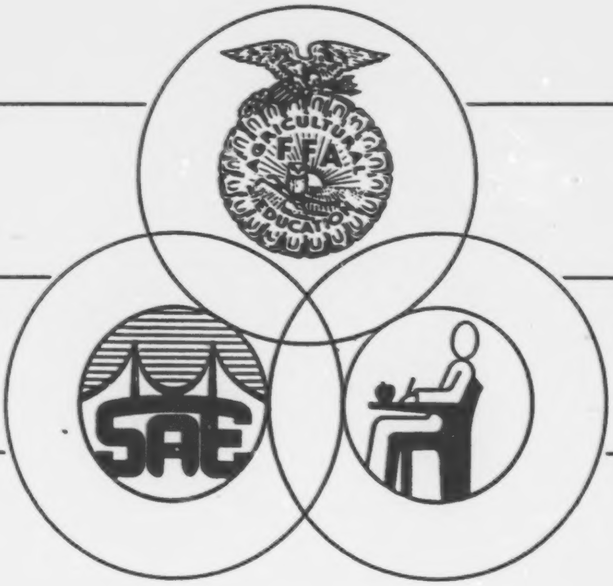
Supplementary Units 90-1000-K

Agricultural Record Keeping

Instructor Key



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SUPPLEMENTARY UNITS

AGRICULTURAL RECORD KEEPING

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University of Missouri-Columbia
Columbia, Missouri

August 1990

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SUPPLEMENTARY UNITS, AGRICULTURAL RECORD KEEPING

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SUPPLEMENTARY UNITS, AGRICULTURAL RECORD KEEPING

PREFACE

These supplementary units are designed to help students with special needs learn and apply record-keeping skills in agriculture. The material applies specifically to record keeping for a Supervised Agricultural Experience (SAE) Program (formerly called the Supervised Occupational Experience (SOE) Program). These units supplement the curriculum guide, Developing Programs of Supervised Agricultural Experience, (Unit II), University of Missouri-Columbia: Instructional Materials Laboratory, 1988.

Students will find illustrated, step-by-step instructions for using the Missouri Agricultural Record Book for Secondary Students, and Sample entries for the Missouri Agricultural Record Book for Secondary Students, University of Missouri-Columbia: Instructional Materials Laboratory, 1988.

Specific competencies are listed as "study questions" at the beginning of each of the eight self-paced and self-contained lessons. Skill sheets, activity sheets and lesson tests reinforce and assess the student's growing knowledge. The lessons contain large print, simplified text and numerous line-drawings to aid in comprehension.

Each unit within this curriculum is color coded to represent a separate section. Color coding is explained as follows:

White:	Introduction, Objectives, Study Questions and Student Assessment. This page presents unit and specific objectives the student must meet to complete the unit successfully. The introduction contains a brief motivational statement describing the purpose and content of unit. Student Assessment allows the student to determine whether to study the material in the unit or move directly to the unit test.
Salmon:	Terms. This section introduces new terms necessary for the student to understand and perform the tasks shown in the unit.
Canary:	Steps of Procedure. These pages present a verbal and illustrated step-by-step explanation of a given skill or task.
Green:	Skill Sheets. These pages provide paper and pencil exercises to develop and reinforce the skills presented in the unit.

Blue:	Activity Sheets. Various activities are presented to increase student involvement and provide extra practice in performing the procedures.
Pink:	Lesson Test and Performance Checklist. These pages are used by the instructor to evaluate student performance. Different forms of review, including identification, matching, multiple-choice and short-answer exercises are provided.

"Instructor's information," located at the front of the book, contains notes to the instructor, helpful resources and answer keys.

ACKNOWLEDGEMENTS

These supplementary units for Agricultural Record Keeping represent the combined efforts of the following individuals:

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GENERAL NOTES TO THE INSTRUCTOR

Step 1: Read through the information in each unit before presenting it to the student.

Step 2: Make sure all equipment to be used in each unit is available.

Step 3: Provide students with the Missouri Agricultural Record Book for Secondary Students and the Sample Entries for the Missouri Agricultural Record Book: University of Missouri-Columbia, Instructional Materials Laboratory, 1988.

Step 4: Provide student with the Introduction page.

Step 5: Discuss the Introduction and Objectives on the Introduction page and give directions for completing the "Are You Ready?" section.

Step 6: Have the student complete the "Are You Ready?" section.

Step 7: If the student elects to complete the Lesson Test and Performance Checklist and does so to your satisfaction, have him or her proceed to the next lesson.

Step 8: Discuss the study questions with the student. Also discuss the Terms.

Step 9: Provide the student with the Steps of Procedure section.

Step 10: Select a means to present the Steps of Procedure section.

A. Have the student study the information independently.
B. Go through the information as a group.
C. Go through the material as a group; then have students work independently.

Step 11: Demonstrate the procedures to the student or class.

Step 12: Give the student time to practice the procedure. (You, the instructor, decide how much time students need.)

Step 13: Have the student complete all the Skill Sheets. Skill Sheets reinforce skills necessary to perform the procedures in the unit and may be used by the student as a self-evaluation tool or by the class as a discussion aid.

Step 14 Complete Activity Sheets.

Step 15: When the student is ready, use the Lesson Test and Performance Checklist to evaluate the student's performance for each unit.

REFERENCES AND MATERIALS

Student References

1. Developing Programs of Supervised Agricultural Experience (Student Reference). University of Missouri-Columbia: Instructional Materials Laboratory, 1989.

2. Missouri Agricultural Record Book for Secondary Students. University of Missouri-Columbia: Instructional Materials Laboratory, 1988.

3. Sample Entries for the Missouri Agricultural Record Book for Secondary Students. University of Missouri-Columbia: Instructional Materials Laboratory.

4. Missouri Agricultural Record Book for Secondary Students. Pads of 50 forms are available from the Instructional Materials Laboratory.

    a. Receipts Forms 2 and 1
    b. Expenditures Forms 4 and 3
    c. Cash Flow Form 5
    d. Financial Statement Form 10
    e. Profit/Loss and SAE Summary Forms 11 and 12
    f. Other FFA Activities Form 110

Teacher References

1. Farm Business Management Analysis: Establishing a Farm Accounting System. University of Missouri-Columbia: Instructional Materials Laboratory, 1981.

2. Missouri Agricultural Record Book for Secondary Students. University of Missouri-Columbia: Instructional Materials Laboratory, 1988.

3. Missouri Farm Planning Handbook (Manual 75). University of Missouri-Columbia: University Extension, 1986.

4. Sample Entries for the Missouri Agricultural Record Book for Secondary Students (Answer Key). University of Missouri-Columbia: Instructional Materials Laboratory, 1988.

SUPPLEMENTARY UNITS, AGRICULTURAL RECORD KEEPING

COMPETENCIES

Competencies developed in these supplementary units are based on Unit II of the curriculum guide Developing Programs of Supervised Agricultural Experience, Instructional Materials Laboratory, 1989.

Major Competency Profile for Unit II,
Using the Missouri Agricultural Record Book for Secondary Students

Rating Scale:		
	3	Mastered - can work independently with no supervision
	2	Requires Supervision - can perform job completely with limited supervision
	1	Not Mastered - requires instruction and close supervision
	N	No Exposure - no experience or knowledge in this area

3	2	1	N	**Using the Missouri Agricultural Record Book for Secondary Students**
				1. Complete forms needed to open the Missouri Agricultural Record Book for Secondary Students.
				2. Complete a budget for the SAE program.
				3. Complete inventory and financial statement forms for the Missouri Agricultural Record Book for Secondary Students.
				4. Complete receipt and expenditure forms in the Missouri Agricultural Record Book for Secondary Students.
				5. Complete additional forms in the Missouri Agricultural Record Book for Secondary Students.
				Other: ______________________________
				______________________________

Competencies Addressed by these Special Needs Supplementary Units

Record Book Competency	Supplementary Unit
1	Unit 3: Cash Flow Units 6, 7, and 8: Business Agreements
3	Unit 3: Cash Flow Unit 4: Inventory Unit 5: Financial Statement
4	Unit 1: Receipts Unit 2: Expenditures

Special Needs Follow-Up Questionnaire

Staff members, writers and advisors have worked to make these instructional materials easy to use and read. We welcome your suggestions and/or corrections. Please return this questionnaire with your comments to:

Special Needs Editor
Instructional Materials Laboratory
8 London Hall
University of Missouri-Columbia
Columbia, Missouri 65211

SUPPLEMENTARY UNITS FOR AGRICULTURAL RECORD KEEPING

My overall rating of this publication is:

Excellent Very Good Good Fair Poor

To improve the materials, IML should:

____

____

____

Other Comments:

____

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Optional:

Name:__________________________

Address:________________________

Supplementary Units

Agricultural Record Keeping

Class Progress Chart

Student Name

											WHAT THE STUDENT CAN DO
											Record receipts in the ***Missouri Agricultural Record Book for Secondary Students***
											Record expenditures in ***Missouri Agricultural Record Book for Secondary Students***
											Calculate Cash Flow from receipts and expenditures
											Complete a financial statement
											Explain function of business agreements
											Complete an Ownership Business Agreement
											Complete a Placement Business Agreement

EXPENDITURES
ANSWER KEY

	SKILL SHEET 1		SKILL SHEET 2
1.	E	1.	A
2.	R	2.	B, F
3.	E	3.	J
4.	R	4.	C
5.	E	5.	H
6.	E	6.	E
7.	E	7.	I
8.	E	8.	D
9.	E	9.	G
10.	E	10.	A, B, D, F

ACTIVITY SHEETS 1 AND 2: Teacher's Discretion.

LESSON TEST

1.	B
2.	C
3.	A
4.	D
5.	B
6.	D

RECEIPTS
ANSWER KEY

	SKILL SHEET 1		SKILL SHEET 2
1.	R	1.	C
2.		2.	A
3.	R	3.	B
4.	R	4.	D
5.	R	5.	E
6.		6.	I
7.	R	7.	F
8.	R	8.	J
9.	R	9.	H
10.		10.	G

ACTIVITY SHEETS 1 AND 2: Teacher's Discretion.

UNIT REVIEW

1.	B
2.	D
3.	C
4.	D
5.	D
6.	A
7.	D
8.	C
9.	A

INVENTORY

ANSWER KEY

SKILL SHEET 1

(Instructor's discretion should be used when grading.)

1. Inventory is a count and record of everything of value owned by a business. It is a way of counting the value in each item of the business.
2. Hogs, cattle sheep, goats, horses, show dogs, etc.
3. Corn, wheat, oats, etc.
4. Tractors, trailers, mowers, combines, saws, etc.
5. Barns, sheds, fences, etc.
6. So the owner can know and show others how profitable the business is, to determine the worth of the business, to analyze the strengths and weaknesses of the business, to figure taxes, to provide accurate records for new owners, etc.

SKILL SHEET 2

1.	C	6.	C
2.	E	7.	A
3.	D	8.	E
4.	A	9.	B
5.	E	10.	D

ACTIVITY SHEET 1

Instructor's discretion

ACTIVITY SHEET 2

Instructor's discretion

LESSON TEST (Instructor's discretion should be used in grading.)

1. A count and record of everything of value owned by the business
2. Business started or ended, loan applied for, first day of the year
3. So the owner can know and show others how profitable the business is, to determine the worth of the business, to analyze the strengths and weaknesses of the business to plan for the future, to figure taxes, to provide accurate records for a new owner, etc.
4. Gray, forms 8 and 9
5. Market animals, breeding animals (purchased or raised), crops in storage, crops in the field, grain, seeds, fertilizer, supplies, machinery and equipment, land, permanent buildings and improvements, etc.
6. Subtract shipping costs from advertized market value
7. Market animals, breeding animals purchased, breeding animals raised
8. Crops in storage, crops in the field
9. Items used to run the business (sterilization chemicals, medicine, hay, feed mix, etc.)
10. Barns, sheds, fences, cages, etc.

CASH FLOW

ANSWER KEY

SKILL SHEET 1

1. E
2. E
3. R-E
4. R
5. E
6. R
7. R-E
8. R-E
9. R-E
10. R
11. E
12. E
13. R
14. R
15. R-E

SKILL SHEET 2

1. C
2. D
3. B
4. C
5. D

SKILL SHEET 5

1. -$275
2. -$250
3. -$400
4. -$725
5. -$290

SKILL SHEET 3

1. Beg. bal. Jan = $500.
2. Receipts = 0
3. Expenditures = $300, $30, $70
4. Total receipts = 0
5. Total expenditures = $400
6. 400 minus 0 = 100
7. Bal. end Jan = $100
8. Bal. beg. Feb = $100

Activity sheets 1, 2, 3, 4 and 5, instructor's discretion

SKILL SHEET 4

1. the months, the totals, the headings
2. ownership, placement and personal
3. five
4. lines 1 through 7
5. lines A and B
6. Exchange of Labor, Money Borrowed
7. ownership, placement and personal
8. five
9. Wage Deductions, Travel or Mileage, Job-related Expenses, Principal Paid.
10. Cash
11. J
12. Total Dollars Available
13. Total Dollars Used
14. L and K
15. From line M, or the previous month's ending balance

LESSON TEST

1. ownership, placement & personal
2. receipts and expenditures
3. cash flow form
4. subtract smaller amount from larger, then use sign of the larger.
5. subtract line J from line E
6. line L or CASH BALANCE BEGIN. OF MONTH
7. To keep organized. To see quickly how the business stands financially To plan for the future by spotting times when receipts might be larger than expenditures or vice versa. To make decisions about how to operate the business.
8. the ending balance for December of the previous year

BUSINESS AGREEMENTS

ANSWER KEY

SKILL SHEET 1

1. F
2. T
3. F
4. T
5. T
6. T
7. T
8. T
9. T
10. T

SKILL SHEET 3

1. C
2. A
3. C
4. D
5. A
6. D

SKILL SHEET 2

1. C
2. B
3. A
4. F
5. D
6. E

ACTIVITY SHEET 1

Instructor's Discretion

LESSON TEST

1. (1) The type of project.
   (2) How long the project will take.
   (3) The services and/or equipment to be furnished by each party.
   (4) The profit shares for each party (usually as a percentage).
   (5) Any other information important to the agreement to prevent misunderstandings.

2. (1) It helps organize the business arrangements in the mind of the manager.
   (2) It helps make the information clear to all people involved.
   (3) In case of a disagreement, it legally records exactly what each party agreed to do.

3. (1) Ownership Business Agreement
   (2) Placement Training Agreement

FINANCIAL STATEMENT

ANSWER KEY

SKILL SHEET 1

1. A
2. D
3. D
4. C
5. C
6. B
7. A
8. B
9. D
10. A

SKILL SHEET 2

1. A
2. C
3. D
4. B
5. D
6. B
7. A
8. C

SKILL SHEET 3

1. D
2. B
3. A
4. C
5. A
6. C
7. A
8. B
9. D
10. C

ACTIVITY SHEET 1

Instructor's Discretion.

LESSON TEST

1. D
2. A
3. B
4. C
5. B
6. A
7. B
8. C

PLACEMENT TRAINING AGREEMENTS

ANSWER KEY

SKILL SHEET 1

1. T
2. F
3. F
4. T
5. F
6. T
7. T
8. F
9. T
10. F
11. F
12. F
13. T
14. F
15. F

LESSON TEST

1. B
2. D
3. A
4. D
5. (1) student, (2) teacher/coordinator, (3) parent(s) and (4) employer.

OWNERSHIP BUSINESS AGREEMENTS

ANSWER KEY

SKILL SHEET 1

1. A
2. A
3. B
4. B
5. C
6. D
7. C
8. B
9. A
10. A

ACTIVITY SHEET 1

Instructor's discretion.

LESSON TEST

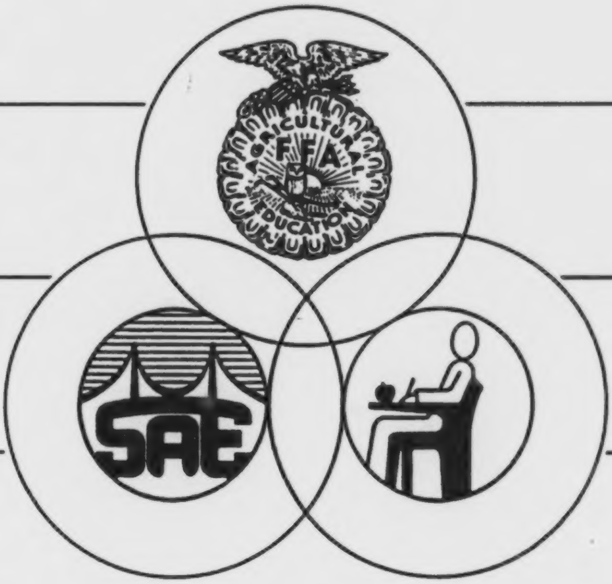
1. (1) Kind, size and duration of project; (2) What I will furnish; (3) What the other party will furnish; (4) What part of the returns I will receive; (5) What part of the returns the other party will receive; (6) Other agreements.

2. (1) Agriculture Instructor; (2) Parent; (3) Student; (4) Other Party.

Supplementary Units 90-1000-S

Agricultural Record Keeping

Receipts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Instructional Materials Laboratory, University of Missouri-Columbia, Columbia, Missouri

RECEIPTS

INTRODUCTION

To figure profits or losses on your agribusiness project, you must be able to record and calculate the money or goods coming in (receipts) and the money or goods going out (expenditures) of the business. You use these records when you make a business transaction, get a loan or pay income tax.

OBJECTIVE

After you complete this lesson, you should be able to record and calculate receipts.

STUDY QUESTIONS

After you complete this lesson, you should be able to answer the following questions:

1. What are receipts? How do you define them?
2. What are some examples of receipts?
3. On what forms (paperwork) do you record receipts?
4. How do you enter receipts in the record book?

Put a check beside the statement that is true for you.

☐ **I can do these tasks and want to go through the Performance Checklist.**

SEE YOUR INSTRUCTOR

☐ **I want to study the information in this unit before I do the Performance Checklist.**

TURN PAGE AND BEGIN

A. TERMS

1. **Breeding stock** - livestock bought to produce babies. Examples: cows, mink, etc.

2. **Column** - a grouping of words or numbers that go from top to bottom on the page (of the receipt form).

3. **Enterprise** - a business or project.

4. **Expenditures** - the money, products or benefits that go out of a business or Supervised Agricultural Experience (SAE) project.

5. **Non-breeding stock** - livestock raised for market, not to raise young. Examples: steers, feeder pigs, etc.

6. **"Ownership" receipts** - money or property received from a project you own. Examples: machinery, animals, crops, etc.

7. **"Personal" receipts** - money or property received that is not part of the business or SAE project.

8. **"Placement" receipts** - money or property received as a result of work you performed for pay. Your employer supplied all the equipment. You received wages or products for your work.

9. **Products** - items that are grown, made or produced. Examples: beans, sawhorses, eggs, etc.

10. **Purchase** - products or services bought for the business.

11. **Raise** - plants grown or animals produced at your home or business location.

12. **Receipts** - the money, products or benefits that come into a business or SAE project.

13. **Row** - a grouping of words or numbers that go from left to right across the page (receipt form).

14. **SAE** - Supervised Agricultural Experience (project).

15. **Subtotal** - the answer, when you add or subtract the numbers in a row or column, that will be included in a final total.

16. **Transaction** - a business deal that involves money or property.

17. **Transfer** - copying a number from one place on a form and carrying that number to another place on the same record sheet or a different form.

B. RECEIPTS

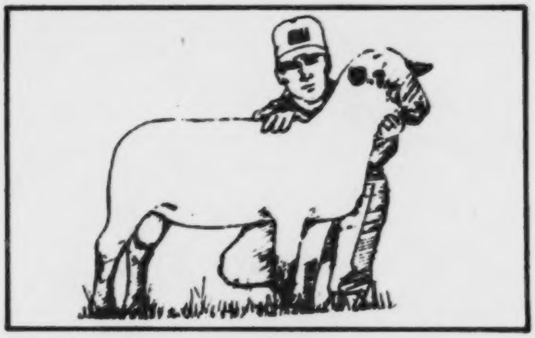
Receipts are money or other items that come into your business or project. Usually receipts are payments for work you did or things you sold.

Some words that can indicate a receipt are:

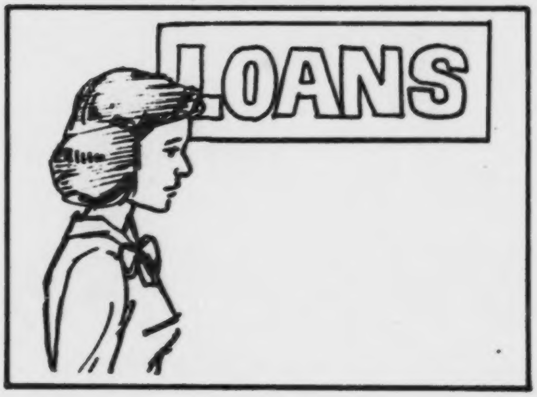
- **Sold**
- **Borrowed**
- **Given to you**
- **Worked (no pay - received experience)**
- **Use of anything (exchange for labor)**
- **Received**
- **Earned**
- **Interest earned**
- **Wages**

Below are some examples of receipts:

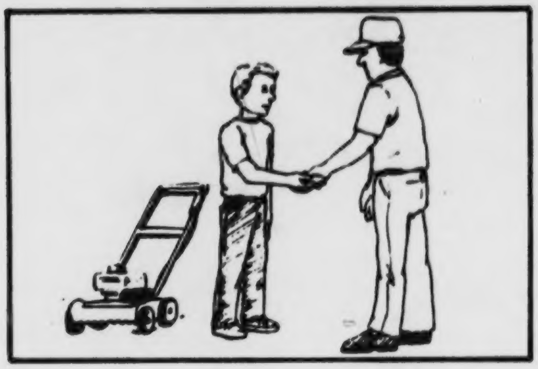
Aaron sold some sheep. He received money for them.



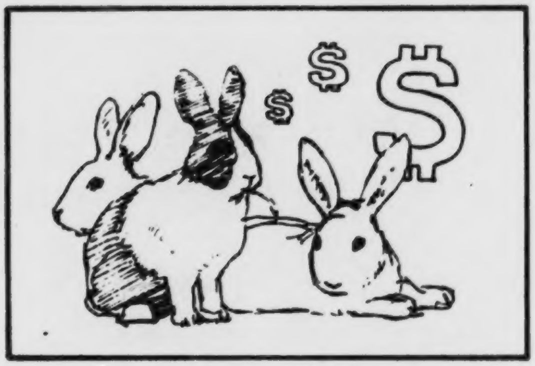
Janice borrowed some money from the bank. She will invest it wisely.



Julian mowed lawns. He was paid wages.



Sarah worked for her dad. He gave her some rabbits in place of money. She received the money value of her work in rabbits.

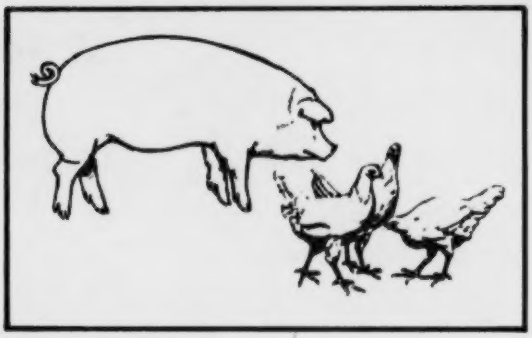


There are three types of receipts: (1) "ownership" receipts, (2) "placement" receipts and (3) "personal" receipts.

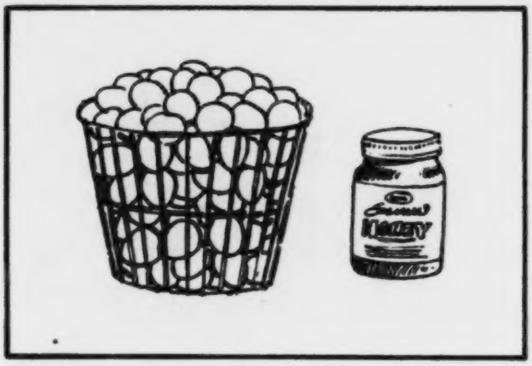
Ownership receipts might include:

1. **Crops** - (corn, soybeans, milo, etc.) When you sell your crops, the money you make is a receipt. A person who owes you money might pay you with crops. What the crops are worth in money is the receipt.

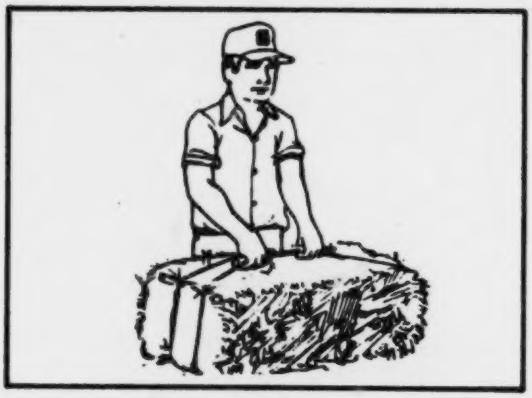
2. **Non-breeding animals** - These are animals you buy or raise to sell on the market -- not for producing babies. (Examples: market hogs, catfish, broilers, steers, etc.)



3. **Breeding animals** - These are animals you use to raise young. (Examples: beef cattle, mink, rabbits, horses, swine, etc.)



4. **Animal products** - Here you record useful things your animals produce. (Examples: eggs, milk, wool, pelts, honey, etc.)



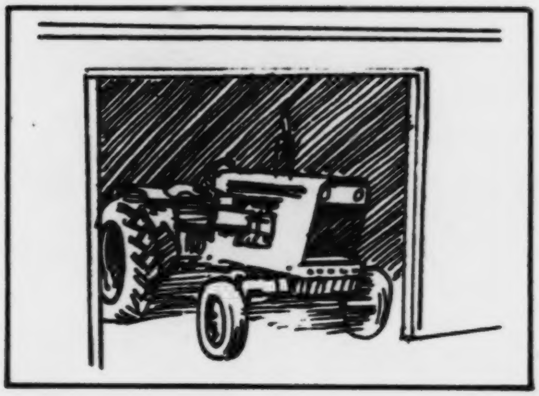
5. **Custom work** - (hay baling, combining, lawn service, etc.) This category includes work you did for someone else, when **you** provided all equipment and supplies.

6. **Loans** - (money you borrow) This category includes money you borrow from a bank, credit association or government agency. You must pay it back.

7. **Refunds/resales** - (money you get) If you return an item to the store for a refund or sell it to someone else, the money is a receipt.

8. **Cash rent** - (can be paid by check) Money **paid to you** for the use of your property or equipment.

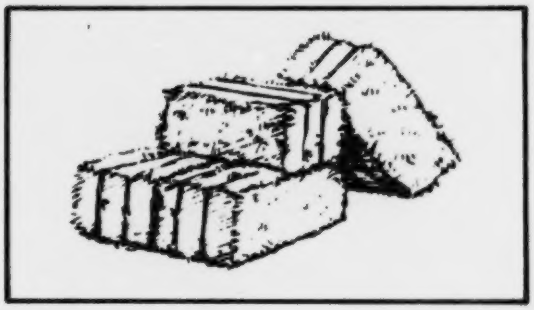
9. **Machinery, equipment and buildings** - These are objects used in your business. (Examples: hog feeders, fencing, cages, etc.)



10. **Cash other** - This category includes any money paid to you that does not fit any place else. (Example: reimbursement to you from the landlord for your paying his share of a fertilizer bill.)

Placement receipts might include:

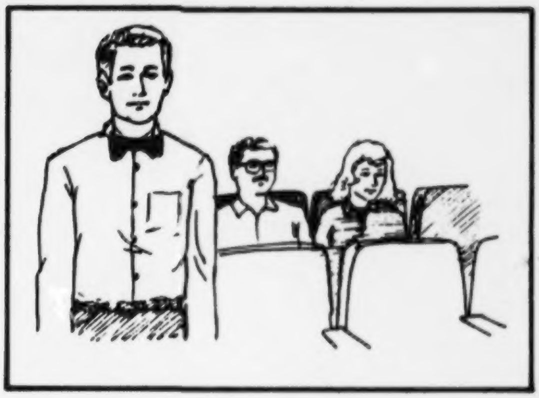
11. **Products** - These are payments "in kind" (payments in something other than money) received for work. (Examples: feed for your animals, hay, straw, seed, etc.)



12. **Ag. Business** - This category is used for work you were hired to do using someone else's equipment. You were paid wages. (Examples: lawn service, coop elevator, hired farm labor, greenhouse/nursery attendant, etc.)

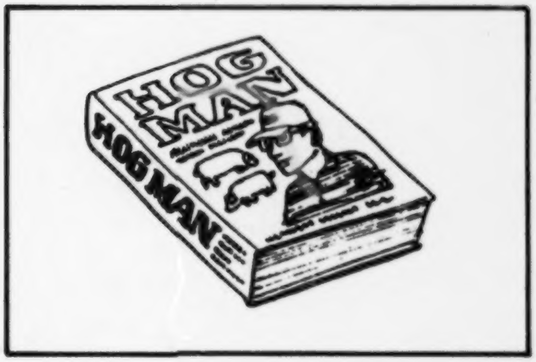
Personal receipts might include:

13. **Wages received** - payment for work not related to the agriculture business or SAE project. (Examples: money earned as a clerk at a store or an usher at a theater.)



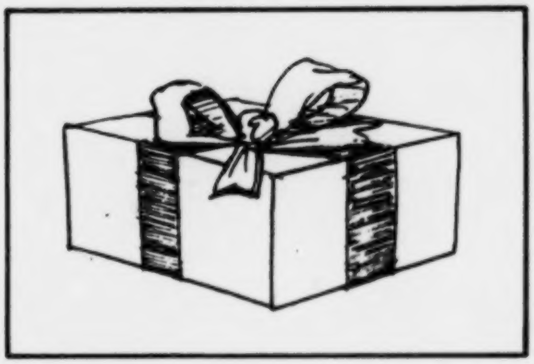
14. **Interest** - (paid to you) This includes interest on savings accounts, etc.

15. **Rents and royalties** - This category is for rent for agriculture ownership, other than cash rent. Also, royalties for patents, articles, books, etc., would go here.

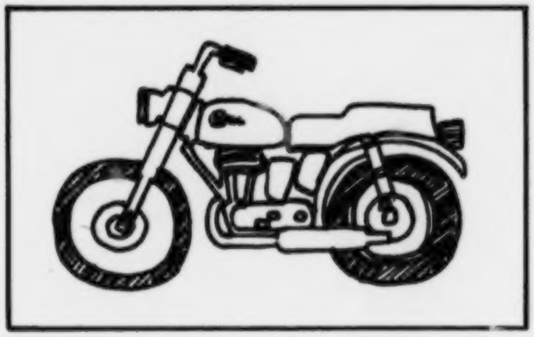


16. **Other taxable income** - Personal income that does not fit other personal categories goes here.

17. **Gifts** - This is where you list cash or property you receive at no cost to you. (Examples: clothes, car, gas, Christmas gifts, etc.)



18. **Money borrowed non-farm** - This includes money you received from a loan and used for personal property. (Examples: automobile, motorcycle, personal computer, etc.)



19. **Other nontaxable income** - Any personal receipts that would not fit any other category go here.

20. **Allowances** - This is where you list money that your parents or other persons give you.

21. **Non-agriculture income** - This is money from other businesses. (Example: rent from a house you own.)

DO SKILL SHEET 1

RECEIPTS

SKILL SHEET 1

Directions: Put an "R" in front of the statements that describe a receipt. If the statement does not describe a receipt, leave it blank.

___ 1. Harold sold four cows. He received $2,950.

___ 2. Kathy bought 50 lbs. of food for her breeding dogs.

___ 3. Phyllis was given a computer for Christmas by her parents.

___ 4. When Shawn received his salary for working, he put the money in the bank.

___ 5. Mindy helped the agriculture class sell oranges. She recorded her hours although she didn't receive pay. She did receive valuable agriculture experience.

___ 6. When Greta planned her project, she bought a pair of rabbits.

___ 7. Steve made a good profit from the sawhorses he built. He made $10.00 on each one.

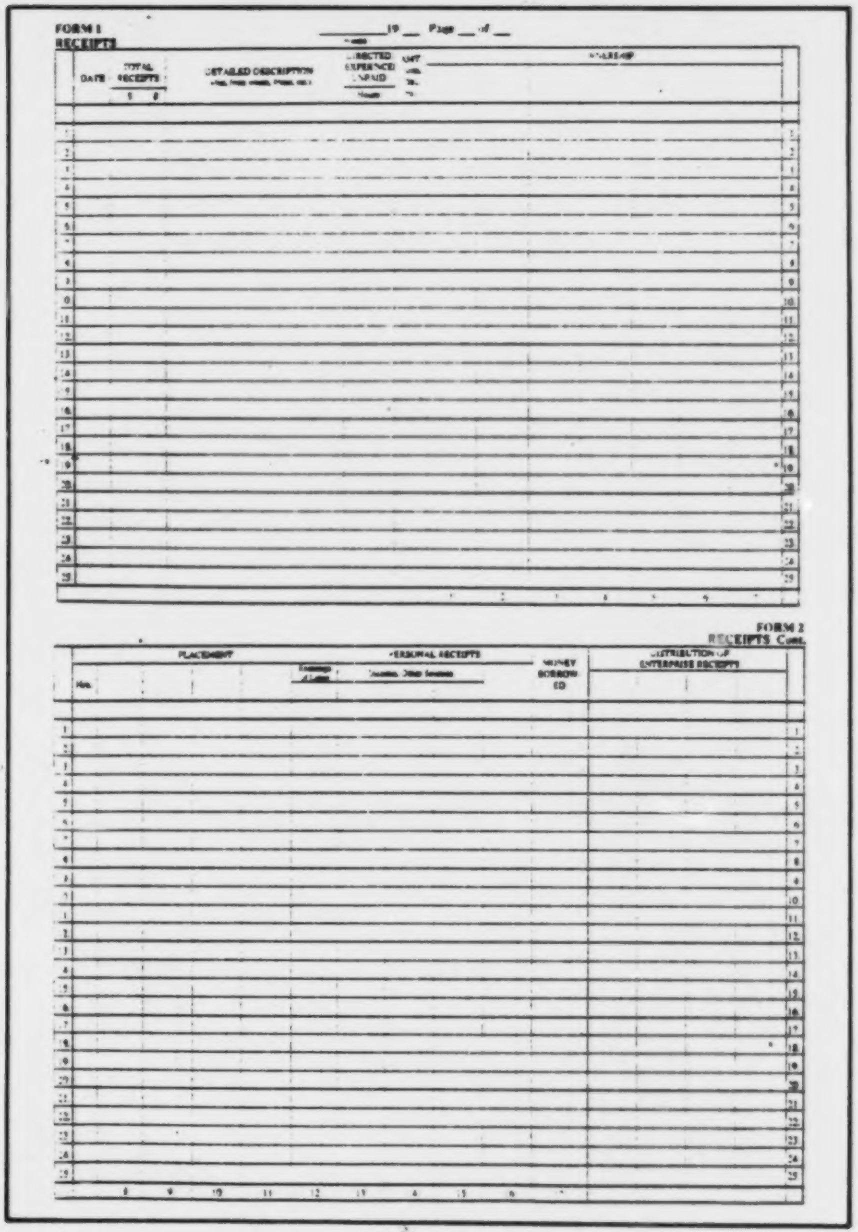
___ 8. The money in Jana's savings account made her $6.00 in interest.

___ 9. David got to use the barn and utilities to raise his pigs in exchange for labor.

___10. Lisa had to pay $5 interest for the money she had borrowed earlier.

C. USING THE FORMS FOR RECEIPTS

The forms you use to record receipts have been color-coded green. They are labeled "Form 1 Receipts" and "Form 2 Receipts cont."



FORM 1
RECEIPTS

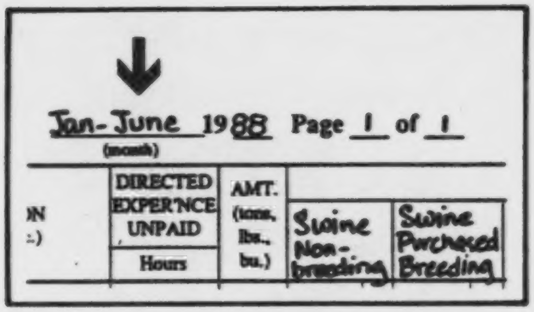
______ 19 __ Page __ of __

DATE · TOTAL RECEIPTS · DETAILED DESCRIPTION

FORM 2
RECEIPTS Cont.

PLACEMENT · PERSONAL RECEIPTS · MONEY BORROWED · DISTRIBUTION OF ENTERPRISE RECEIPTS

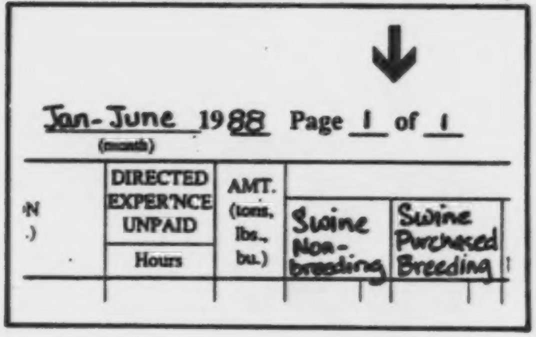
1. At the center top of form 1 is a place to put the "date" for the page. Write the months and year you are covering on this page.



Jan-June 1988 Page 1 of 1
(month)

DIRECTED EXPER'NCE UNPAID Hours	AMT. (tons, lbs., bu.)	Swine Non-breeding	Swine Purchased Breeding

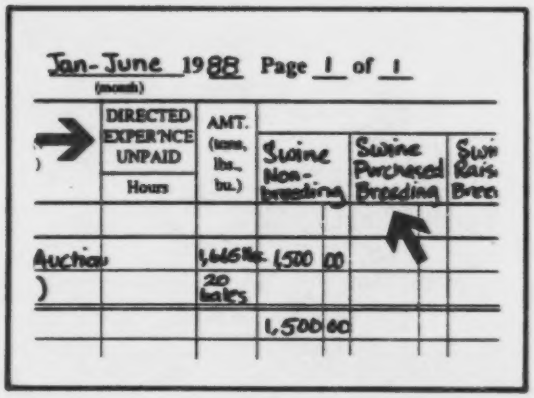
2. Next to the date is a place to put the page number of this page. Write the page number here. Notice that although the form is split in half, it is counted as one page.



Jan-June 1988 Page 1 of 1
(month)

DIRECTED EXPER'NCE UNPAID Hours	AMT. (tons, lbs., bu.)	Swine Non-breeding	Swine Purchased Breeding

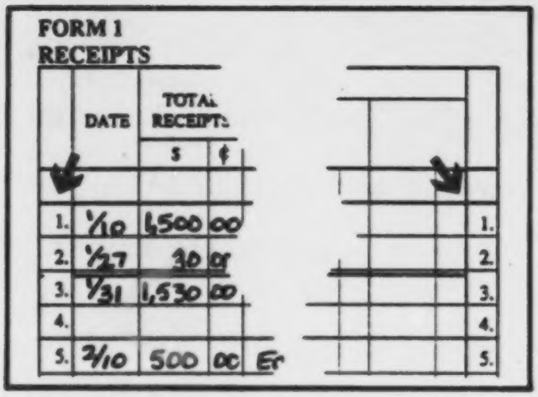
3. Columns are labeled at the top of each page. If a column has no label, space has been provided for you to label the column.



Jan-June 1988 Page 1 of 1
(month)

	DIRECTED EXPER'NCE UNPAID Hours	AMT. (tons, lbs., bu.)	Swine Non-breeding	Swine Purchased Breeding
Auction		1,665 lbs.	1,500 00	
)		20 bales		
			1,500 00	

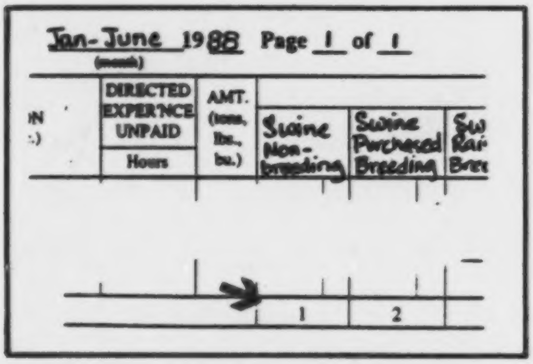
4. Rows or lines are numbered on both the right and left side of each page or form.



FORM 1
RECEIPTS

	DATE	TOTA RECEIPT $	¢		
1.	1/10	1,500	00		1.
2.	1/27	30	00		2.
3.	1/31	1,530	00		3.
4.					4.
5.	2/10	500	00	Er	5.

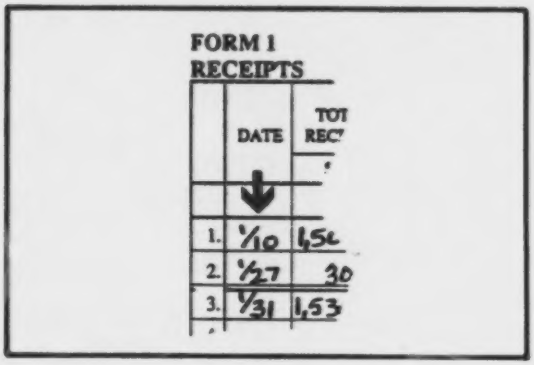
5. Columns are numbered across the bottom of each page.



Jan-June 1988 Page 1 of 1
(month)

DIRECTED EXPER'NCE UNPAID Hours	AMT. (tons, lbs., bu.)	Swine Non-breeding	Swine Purchased Breeding	Sw Rai Bree
		1	2	

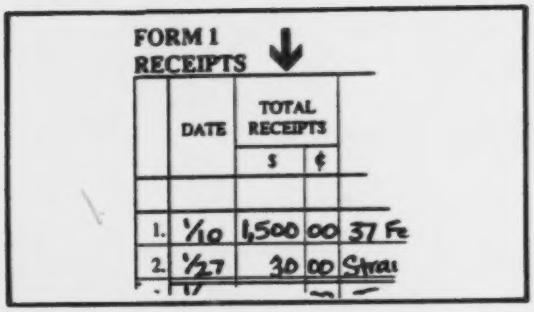
6. There is a place for each date on which you recorded receipts. Enter these dates in the first column.



FORM 1
RECEIPTS

	DATE	TOT REC
1.	1/10	1,5c
2.	1/27	30
3.	1/31	1,53

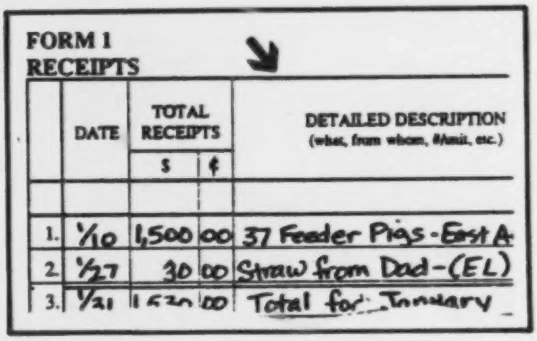
7. The next column is for the total amount of receipts on each date listed. Record the total amount of money received on that date.



FORM 1
RECEIPTS

	DATE	TOTAL RECEIPTS		
		$	¢	
1.	1/10	1,500	00	37 Fe
2.	1/27	30	00	Strai

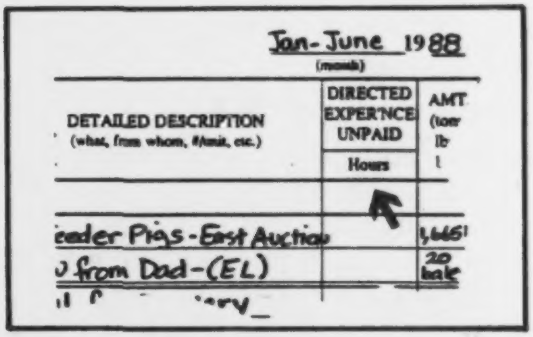
8. In the next column, "detailed description," you write a short explanation of why you received the money (what you sold and to whom, or what you received from whom and why). Include the name of the person or business that gave you the receipt.



FORM 1
RECEIPTS

	DATE	TOTAL RECEIPTS		DETAILED DESCRIPTION (what, from whom, #/unit, etc.)
		$	¢	
1.	1/10	1,500	00	37 Feeder Pigs - East A
2.	1/27	30	00	Straw from Dad - (EL)
3.	1/31	1,530	00	Total for January

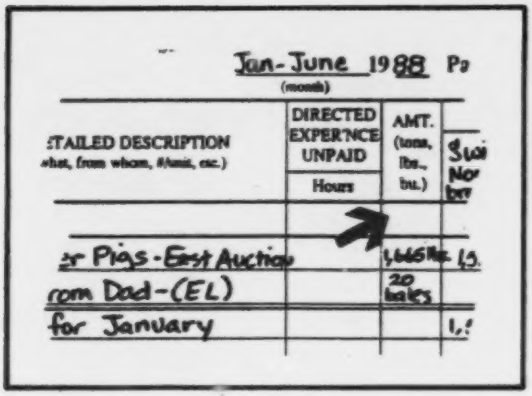
9. The next column is called "directed experience unpaid." Write the hours your worked in an **unpaid** directed experience. If the receipt does not fit this category, leave the column blank.



Jan-June 1988
(month)

DETAILED DESCRIPTION (what, from whom, #/unit, etc.)	DIRECTED EXPER'NCE UNPAID	AMT (ton lb
	Hours	
eeder Pigs - East Auction		1,665
from Dad - (EL)		20 bale

10. The amount (tons, lbs. bu.) is recorded next. For example, the pigs sold at East Auction weighed 1,665 lbs.



Jan-June 1988 Pa
(month)

TAILED DESCRIPTION what, (from whom, #/unit, etc.)	DIRECTED EXPER'NCE UNPAID Hours	AMT. (tons, lbs., bu.)	Swi Nor ber
r Pigs - East Auction		1,665 lbs.	1,5
rom Dad - (EL)		20 bales	
for January			1,

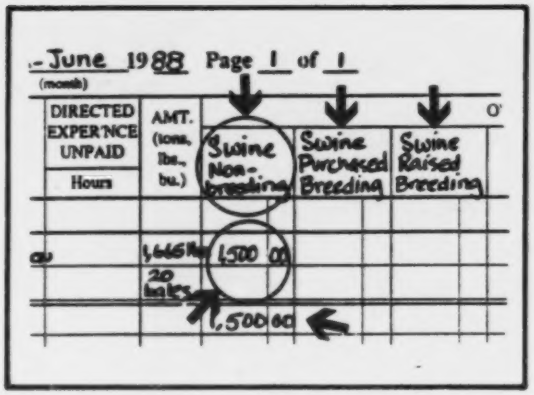
11. Now you must choose whether to record the business transaction under:

1. **"ownership"** receipts (if you own the project, animals, crops, etc., from which the money came),

2. **"placement"** receipts (if you work for someone else), or

3. **"personal"** receipts (money or property that your project did not produce or you did not work to earn).

12. Write a simple description of the business or project in the first blank box under the category you chose in step 11. In this column, and in the same row as the receipt amount, write the amount of money or the value in money you received.

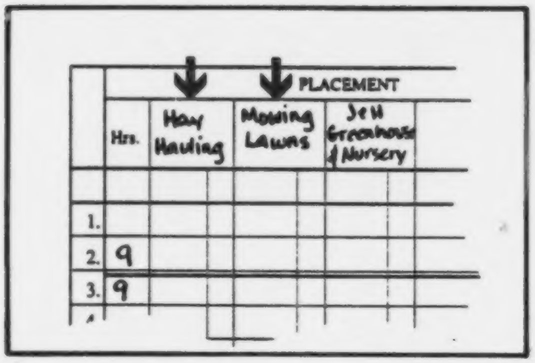


-June 19 88 Page 1 of 1
(month)

DIRECTED EXPER'NCE UNPAID Hours	AMT. (tons, lbs., bu.)	Swine Non-breeding		Swine Purchased Breeding		Swine Raised Breeding	
	1,665 lbs	1,500	00				
	20 bales						
		1,500	00				

a. There are several columns for "ownership" receipts. If you own the business, record the amount of the receipt here.

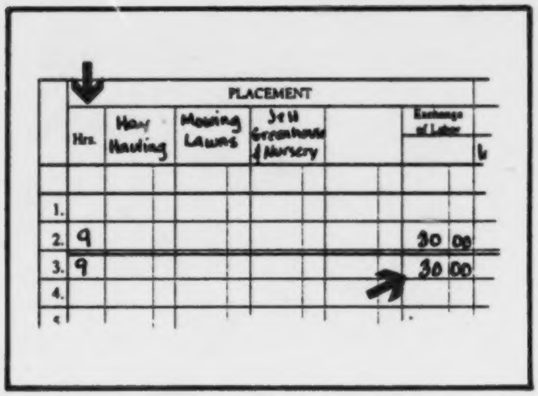
b. There are also several columns for "placement" receipts. If you earn money working for someone else, and the equipment is provided by your employer, record the amount of the receipt under this section.



PLACEMENT

	Hrs.	Hay Hauling		Mowing Lawns		Jeff Greenhouse & Nursery	
1.							
2.	9						
3.	9						

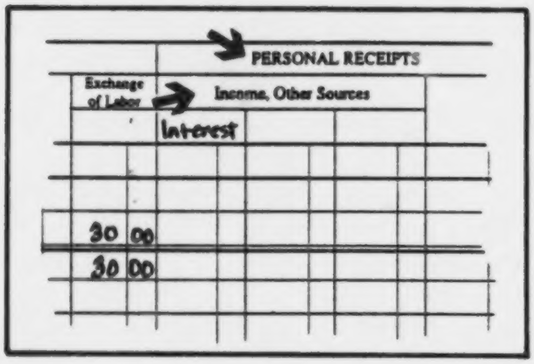
Two of the subheadings are already marked ("Hrs." and "Exchange of labor"). If hours of work were involved, place the number of hours under the heading, "Hrs."



	PLACEMENT					
	Hrs.	Hay Hauling	Mowing Lawns	Sell Greenhouse & Nursery		Exchange of Labor
1.						
2.	9					30 00
3.	9					30 00
4.						
5.						

If you worked to pay for an item, you exchanged your work for it. The value of the item received should be recorded under the "Exchange of Labor" heading.

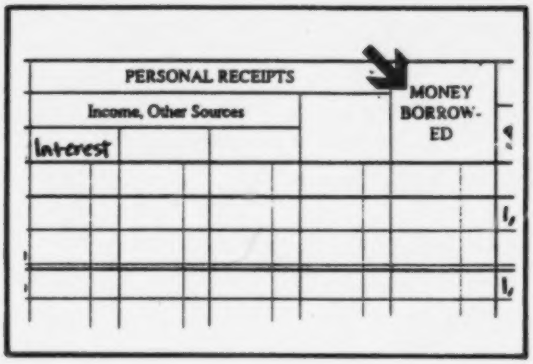
c. Next come several columns for "personal" receipts. Three columns have the subheading, "Income, Other Sources." The other column is blank.



	PERSONAL RECEIPTS			
Exchange of Labor	Income, Other Sources			
	Interest			
30 00				
30 00				

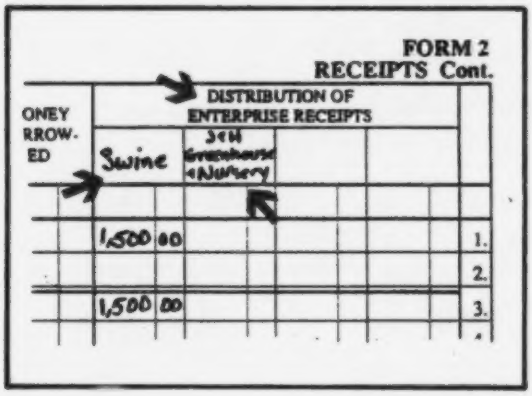
Entries under the "personal receipts" column could be things such as interest you earned from bank accounts, the allowance you get from your parents or gifts.

13. "Money Borrowed" is a narrow column. Place the amount of money you borrowed under this column.



PERSONAL RECEIPTS				MONEY BORROW-ED
Income, Other Sources				
Interest				

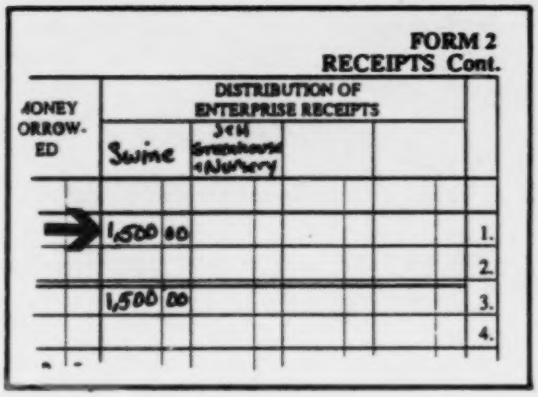
14. "Distribution of Enterprise Receipts" is the last category on the form. When you are involved in more than one business, you may want to see easily how much money each business makes.



FORM 2
RECEIPTS Cont.

ONEY RROW-ED	DISTRIBUTION OF ENTERPRISE RECEIPTS				
	Swine	[illegible] Greenhouse & Nursery			
	1,500 00				1.
					2.
	1,500 00				3.

Label each business in the blanks under "Distribution of Enterprise Receipts." Then copy the money amount on the same row you used earlier.



FORM 2
RECEIPTS Cont.

ONEY ORROWED	DISTRIBUTION OF ENTERPRISE RECEIPTS				
	Swine	[illegible] Greenhouse & Nursery			
→	1,500 00				1.
					2.
	1,500 00				3.
					4.

DO SKILL SHEET 2

DO ACTIVITY SHEETS 1 AND 2

RECEIPTS

SKILL SHEET 2

Directions: Write the letter of the correct column heading in each blank.

A. Date
B. Total Receipts
C. Detailed Description (what, from whom, #/unit, etc.)
D. Amt. (tons, lbs., bu.)
E. Ownership
F. Placement
G. Personal
H. Money Borrowed
I. Distribution of Enterprise Receipts
J. Exchange of Labor

On January 11, you sold six steers, weighing 4,800 lbs. total, to the Day Auction Company. You need to fill in the receipt on the receipts form. When you own animals and sell them, the money you get is an ownership receipt.

Remember that amounts of money are always listed under at least two headings: Total Receipts and something else (usually (1) Ownership, (2) Placement or (3) Personal). Then, if you want to show which receipts belong with different businesses, you might list the receipt under Distribution of Enterprise Receipts.

____ 1. Under which heading would you write "sold six steers at Day Auction Company?"

____ 2. Under which heading would you write that you sold the steers on Jan. 11 (or 1/11)?

____ 3. Before you decide whether the amount of money for the steers is an Ownership, Placement or Personal Receipt, under which column should you write that the steers were worth $1,920.00?

____ 4. Under which column would you record the weight of the steers (4,800 lbs.)?

____ 5. Under which category (Ownership, Placement or Personal) would you write "beef non-breeding" and the price paid to you for the steers?

____ 6. If you wanted to arrange your receipts among different businesses (enterprises), under which column category would you write "beef breeding" $1,224 and "beef non-breeding" $630?

____ 7. Your dad gives you some corn in return for work. What type of receipt would this be (Ownership, Placement or Personal)?

____ 8. The corn (in question 7) is worth $50.00. You write the amount under Total Receipts. Where else (under the category you chose in question 7) would you write the price?

____ 9. You borrowed $1.000.00 from Peculiar Bank to help pay for some pigs. Under which other column, besides Total Receipts, would you record the amount of money you borrowed?

____ 10. You made $5.00 in interest on your savings account. Should the interest be entered under Ownership, Placement or Personal?

RECEIPTS

ACTIVITY SHEET 1

Directions: Using the green FORM 1 RECEIPTS and FORM 2 RECEIPTS CONT'D. and the Sample Entries For The Missouri Agricultural Record Book For Secondary Students, provided by your teacher, complete the following: Pick out the first activity (entry) that is a receipt. The first entry is not a receipt because you spent money. The second one is a receipt because you received money, so use the second one. Fill in only the columns that fit the activity you are recording. Leave the rest blank. **The entry is:**

Date	**Description**
1/10/88	**Sold 37 feeder pigs at East Auction for $1,500; Total weight = 1,665 lbs.**

1. At the top center of the green page, write "Jan. - June, 1988, Page 1 of 1." You will be recording six months of sample records.
2. What is the first date money was received (pigs sold)? Write the date on row 1 under the DATE column.
3. Put the amount of money received for the pigs on row 1 under the column labeled TOTAL RECEIPTS.
4. On row 1 under DETAILED DESCRIPTION, write: (1) what was sold and (2) to whom it was sold.
5. The weight of the pigs goes on row 1 under AMOUNT (AMT.).
6. Enter the money again. First decide if it is an (1) ownership, (2) placement, or (3) personal receipt. **HINT:** You owned the pigs.
7. Because you sold feeder pigs, you write "swine non-breeding" in the first blank box under OWNERSHIP.

8. Look at the column numbers at the bottom of the page. In column 1, row 1, write the total price you got for the pigs.
9. At the far right of FORM 2 go to DISTRIBUTION OF ENTERPRISE RECEIPTS. In the first blank box, write "swine." On row 1 under that heading, write the amount of money you received.

Good! You have completed the first entry. Have your instructor make sure it is correct. Select the next receipt from your sample entries. The next entry is not a receipt because you paid money, so go to the entry that begins with the "received" instead of "paid." Again, fill in only the columns that relate to the information you want to record. Leave the rest blank. **The entry is:**

Date	Description
1/27/88	**Received 20 bales of straw from Dad: total value - $30; Exchange of labor (9 hrs.)**

1. Write the date on row 2 under DATE.
2. Enter, on row 2 under TOTAL RECEIPTS, the amount of money the straw is worth.
3. Under DETAILED DESCRIPTION, write "straw from Dad (EL)." (EL stands for Exchange of Labor.)
4. Write the number of bales under AMT. (tons, lbs., bu.). Write the word "bales" along with the number of bales.
5. Look at the first unnumbered column on FORM 2 RECEIPTS, which is "Hrs." (under PLACEMENT). Write the number of hours worked for Dad.
6. Under PLACEMENT column 12, EXCHANGE OF LABOR, again write the amount of money the straw was worth.
7. There were no more receipts in January.

8. Draw a red line under row 2 (or draw a small black line to make a double line) and add to get the sum of January's receipts.
9. On row 3 write: (1) DATE, the last day of January, (2) the TOTAL RECEIPTS for January, (3) the DESCRIPTION (Total for January).

Good! You have completed your second entry. Skip the next sample entry, and go to the entry dated Feb. 10.

Date	**Description**
2/10/88	**Borrowed $500 from Easy Bank to purchase swine; 10% annual interest rate; 2 years; semi-annual payments**

1. Skip a line and enter the date on row 5. Leaving the row blank will make it easier to see each month's receipts separately.
2. Record the amount of money borrowed on row 5 under TOTAL RECEIPTS.
3. The only other column that fits this transaction is column 17, MONEY BORROWED. Write the amount borrowed, making sure it is on row 5.
4. Look at the sample entries sheet. There were no more receipts in February.
5. Draw a red line under row 5 (or draw a small black line to make a double line) and add to get the sum of February's receipts.

6. Row 6 will have written on it: (1) DATE, the last day of February, (2) the TOTAL RECEIPTS for February (do not add January's and February's), (3) the DESCRIPTION, and (4) the MONEY BORROWED.

GREAT! The sample entries sheet lists no receipts in March.

1. Leave rows 7 and 8 blank. Draw a red line or another small black line (to make a double line) under row 8.
2. To show that March had no receipts, on row 9 put (1) the DATE for the last day of March, (2) $ 0.00 under TOTAL RECEIPTS, and (3) "Total for March" under DESCRIPTION.

Look at the next sample entry for receipts:

Date	**Description**
4/09/88	**Sold a 500 lb. boar at East auction for $175**

1. Write the DATE on row 11.
2. Enter the amount under TOTAL RECEIPTS.
3. Write what was sold and to whom under DETAILED DESCRIPTION.
4. Record the boar's weight amount (AMT.) in pounds (lbs.).

5. In a blank category under OWNERSHIP (column 2), write "swine purchased breeding." This means you bought the boar for breeding purposes. (Remember that now you have sold it for money.)
6. Under SWINE PURCHASED BREEDING (column 2 row 11) put the amount of money received for the boar.
7. In order to keep the businesses separate, beneath DISTRIBUTION OF ENTERPRISE RECEIPTS and under SWINE, enter the money received.

Super! You have finished another entry. Find the next sample entry for receipts.

Date	**Description**
4/30/88	**Received 15 bales of straw from Dad; Total value - $23; Exchange of labor (7 hrs.)**

1. Enter the DATE on row 12.
2. Write the value of the straw under TOTAL RECEIPTS.
3. The DETAILED DESCRIPTION tells that you got "straw from Dad (EL)".
   EL = Exchange of Labor
4. In the AMT. column, write the number of bales and the word "bales."
5. Under PLACEMENT, there are two columns to record the transaction: HRS. WORKED and EXCHANGE OF LABOR - the dollar value.

Good Job! You finished another one. That is all for April, so let's total the month.

1. Draw the red line or make the double black line under row 12.
2. Write the last day of April's DATE.
3. Total (add) the two amounts received in April.
4. The "Description" is "total for April."
5. Add the rest of the columns across the pages. (April only)

Great! You finished that month! The next sample entry for receipts is in May.

Date	**Description**
5/21/88	**Received $23 for hauling 460 bales ($.05/bale) of hay for Mr. Carter (7 hrs.)**

1. Enter the DATE on row 15.
2. Record the money received under TOTAL RECEIPTS.
3. Write "Hauled hay - Carter - $0.05/bale" under DETAILED DESCRIPTION.
4. Show the 460 bales under AMT.

5. Receiving money for work means "placement," so you record both the hours you worked and the money you made under PLACEMENT. Also, write "Hay Hauling" in the blank at the top of column 8.

All right! That is another entry completed. Look at the sample entries sheet for the next receipt.

Date	**Description**
5/24/88	**Received $39 for hauling 780 bales ($.05/bale) of hay for Mr. Barker (12 hrs.)**

1. On row 16, write the DATE.
2. The wages received go under TOTAL RECEIPTS.
3. Write a DETAILED DESCRIPTION similar to the one on row 15.
4. Put the number of bales hauled under AMT. (Write the word "bales.")
5. Work means PLACEMENT. Enter the hours worked and the money made, just as you did for the previous entry, under the correct column heading.

That's it! You're moving right along. There are no more receipts for May, so you must total May's receipts.

1. Draw a red or double line at the bottom of row 16.
2. Write the date for the last day of May.
3. Add the two May entries.
4. The description to write is "Total for May".
5. Total the rest of the columns across the two pages. Remember to total only May.

The next sample entry for receipts is in June.

Date	Description
6/04/88	**Sold 46 feeder pigs at East Auction for $1,863; Total weight = 2,070 lbs.**

1. Skip a line. On row 19 write the date.
2. Enter the money received on row 19.
3. Write a description (number of feeder pigs and where they were sold).
4. Show the AMT. they weighed (in lbs.).
5. Since feeder pigs are non-breeding animals, enter the money received under OWNERSHIP in the column "Swine non-breeding."
6. Enter the money received again under DISTRIBUTION OF ENTERPRISE RECEIPTS in the column for "Swing Non-breeding."

Another one done! Go back to the sample entry sheet for receipts.

Date	**Description**
6/11/88	**Received $25 for mowing lawn for Ms. Jackson; 8 hrs. labor**

1. First write the date in row 20.
2. Next enter the total receipt.
3. Tell what you did and for whom under DESCRIPTION.
4. The hours and the earnings both go under PLACEMENT.

Fantastic! One more done! Look at the next sample entry for receipts.

Date	**Description**
6/30/88	**Earned $268 gross pay from J & H Greenhouse & Nursery, $68 wage deductions; 67 hrs. labor**

NOTE: The wage deductions will have to be entered later on the pink Expenditures sheet because the money was taken away.

1. Look at the date. Put it on row 21.
2. The total amount earned (gross pay) goes under TOTAL RECEIPTS.

3. Under DESCRIPTION, write for whom the work was done. Beside that write "wages" to show what was received.
4. Money you got for work is PLACEMENT. Now write "J & H Greenhouse & Nursery" in the blank at the top of column 10.
5. Record the number of hrs. and the money earned. Be sure they are in the right columns under PLACEMENT.
6. If you want to keep this money separate from other businesses, record the money you make at the greenhouse under DISTRIBUTION OF ENTERPRISE RECEIPTS. Write "J & H Greenhouse & Nursery" and under that, on row 21, put the gross amount earned.

Fine! You are doing a good job! Look at the next sample entry for receipts.

Date	**Description**
6/30/88	**Received 10 bales of straw from Dad; Total value - $15; Exchange of labor (5 hrs.)**

1. What goes in the first column on row 22? Put the date there.
2. Which amount goes in the next column? Enter the money value.
3. Where and how do you describe the receipt? Write the description.
4. How many bales? Do that step. Be sure to label it "bales."

5. You worked and were paid with straw. Which two columns under PLACEMENT should be filled in? (Check back to rows 2 and 12 to see examples.)

Super! Total the month of June.

1. Draw the dividing line.
2. Write the date.
3. Add to get the sum of the four entries for June.
4. Describe what you are doing.
5. Get the sum of the rest of the columns for the June entries.

Whew! You've finished these pages with ease!

RECEIPTS

ACTIVITY SHEET 2

Directions: Use the same green receipt record sheets and the sample entries sheets as you did for ACTIVITY SHEET 1. Turn the green page over. The back of FORM 2 has a blank FORM 1. You should also have a new RECEIPTS FORM 2 sheet.

1. At the top center of the page, write "July - Dec., 1988, Page 1 of 1." These pages will be used to complete the year's records.
2. In the blank boxes under OWNERSHIP, copy the same things that were written there on the previous FORM 1 page (Swine Non-Breeding, Swine Purchased Breeding, Swine Raised Breeding).
3. Copy the same labels under PLACEMENT that were written on the previous FORM 2 (Hay Hauling, Mowing Lawns, J & H Greenhouse & Nursery).
4. Write the same things as the page FORM 2 had under DISTRIBUTION OF ENTERPRISE RECEIPTS (Swine, J & H Greenhouse & Nursery).

OK! You are ready to move on. Look at the sample entries for receipts in July.

Date	Description
7/31/88	**Earned $264 gross pay from J & H Greenhouse & Nursery; $71 wage deductions; 71 hrs. labor**

NOTE: You will record the $71 wage deductions later on the pink EXPENDITURE sheet.

1. Fill in the first column of row 1 with the date.
2. Write the gross pay in the next column.
3. Record the hours worked and the money made in the two proper places under PLACEMENT.
4. Write the gross pay amount under the correct DISTRIBUTION OF ENTERPRISE RECEIPTS business.

Fine! You are getting faster! Now, get the total for the month of July.

1. Draw the dividing line.
2. Put the date on row 2.
3. Add the one entry to get the sum.
4. Describe what you are doing.
5. Add to get the sum of the other three places across the pages.

Finished! Now go Back to the sample entries sheet for August. Skip a line.

Date	Description
8/19/88	**Sold 31 feeder pigs at East Auction for $1,256; Total weight = 1,395 lbs.**

1. Which date goes on row 4? Write it.
2. How much money was made? Put it in the proper place.
3. What two things give a detailed description? Put them in the proper place.
4. Where does the number of lbs. go? Put it in the proper place.
5. Why should the money be recorded under SWINE NON-BREEDING? Record the money.
6. Under which business (below DISTRIBUTION OF ENTERPRISE) should you record the money received? Transfer the receipts to the correct column (keep it on row 4).

You're doing a great job! Go to the next sample entry.

Date	Description
8/31/88	**Earned $268 gross pay from J& H Greenhouse & Nursery; $68 wage deductions; 67 hrs. labor**

1. Write the date on row 5.
2. Enter the total receipt.
3. Describe the transaction (who & what).
4. Choose the proper place to record the hours and pay.
5. Distribute the enterprise.

See! You can do it! The wage deduction will go on the EXPENDITURE SHEET later. Go to the next sample entry for August.

Date	**Description**
8/31/88	**Received 20 bales of straw from Dad; Total value-$30; Exchange of labor (9 hrs.)**

1. Write the date and the value of the straw on row 6.
2. Describe what was received, from whom and why.
3. List the number of bales.
4. Note the hours and worth of the straw.

You are doing more on your own now! Total the month of August.

1. Draw the dividing line.

2. Total only the month of August.
3. Finish it as you have done before.

Another down! Just a few more to go. Look at September's sample entries.

There are no receipts in September.

1. Leave a blank row between months and a blank row for September (two blank rows).
2. Draw a dividing line under row 9.
3. On row 10, complete the information to show no receipts in September.
4. Did you write 9/30 for the date and $0.00 for the total receipts?
5. Check to see if you described what you were doing (Total for September).

That's done! Now check the sample entries for receipts in October. There are no receipts in October.

1. Skip two lines and draw the dividing line.
2. Fill in the information for October just as you did for September. Use row 13.

That's it! Look at the sample entries for receipts in November.

Date	Description
11/10/88	**Sold 47 feeder pigs at East Auction for $1,904; Total weight = 2,115 lbs.**

1. The date is first (row 15). Write it.
2. Next is the receipt. Record it.
3. Third, put the description (what and to whom).
4. After that, record the pounds and the price.
5. Last, distribute the money to the correct business.

Another bites the dust! Now look at the next sample entry.

Date	Description
11/18/88	**Worked 10 hours at the school's greenhouse the week of 11/18/88; two hours per day for one week; No payment received**

1. Use row 16 to record this one. Put in the date.

2. Record $0.00 received. Describe what was done and for how long.
3. In the very next column labeled DIRECTED EXPERIENCE UNPAID, show the 10 hours you worked.

Finished with that one! Check the sample entries sheet for receipts. Have you finished November's receipts? O.K.! Now total November.

1. Draw the line.
2. Remember to include only November figures.
3. Do it.

Look back at the sample entries for receipts in December.

Date	Description
12/31/88	**Received $6 interest on savings account**

1. Row 19 is the place to record the date, receipt, and description.
2. In column 13, under PERSONAL RECEIPTS, write Interest in the first blank column box and $6.00 on row 19.

Rolling right along! Look at the next sample entry for receipts in December.

Date	**Description**
12/31/88	**Use of facilities and cost of utilities from Dad; Total value - $200 ($25 per sow/year for 8 head); Exchange of labor (60 hrs.)**

1. On row 20 complete the record form.
2. Use $25/sow under AMOUNT.
3. Total December's receipts.

AN EXCELLENT JOB! You finished the whole year!

RECEIPTS

LESSON TEST

Directions: Circle the letter of the best answer to the question.

1. On each row, how many times do you write the amount of money?

   a. 1 time
   b. at least 2, sometimes 3
   c. always 3 times
   d. 4 times

2. What information is included in a detailed description?

   a. what you received
   b. who you received it from
   c. why you received it
   d. all of the above

3. What are the three main categories of receipts?

   a. Ownership, Placement and Professional.
   b. Ownership, Placement and Other.
   c. Ownership, Placement and Personal.
   d. none of the above

4. If you want to separate receipts from different businesses, you enter them under which heading?

   a. Amt. (tons, lbs., bu.)
   b. Detailed description
   c. Date
   d. Distribution of enterprise receipts

5. Interest on a savings account is written under which category?

a. Detailed description
b. "Amt. (tons, lbs., bu.)
c. Distribution of enterprise receipts
d. Income-other sources

6. Should wages you earn in return for work that is not related to the agriculture business be entered under the Ownership, Placement or Personal category?

a. Personal
b. Placement
c. Ownership
d. none of the above

7. Where would you write the number of hours you worked as part of a directed laboratory experience program?

a. Date
b. Amt.
c. Money borrowed
d. Directed exper'nce unpaid

8. What words would go in the ownership boxes to show the difference between pigs you bought and pigs produced at your business?

a. Swine sold, Swine given
b. Cattle taken, Cattle raised
c. Swine purchased, Swine raised
d. none of the above

9. Under which two columns do you record the money from a bank loan?

a. Total receipts, Money borrowed
b. Total receipts, Placement
c. Total receipts, Ownership
d. Total receipts, Personal

RECEIPTS
PERFORMANCE CHECKLIST

Student ______________________________ successfully performed the following tasks:

	YES	NO	COMMENTS
1. Defined Receipts (Ownership, Placement and Personal)			
2. Gave examples of receipts			
3. Chose the forms for receipts (Form 1 and Form 2 - both green)			
4. Properly entered receipts in a record book			

Satisfactory - should move on ____

Should repeat this unit ____

Student's Signature/Date

Instructor's Signature/Date

Supplementary Units 90-1000-S

Agricultural Record Keeping

Expenditures

AGRICULTURAL
FFA
EDUCATION
SAE

Instructional Materials Laboratory, University of Missouri-Columbia, Columbia, Missouri

EXPENDITURES

INTRODUCTION

To figure profits and losses from your agribusiness project, your records must be accurate. Before you make a business decision, you will want to study your receipts and expenditures. You need good records when you are deciding whether to expand your project, trying to get a loan or paying income tax. This lesson will focus on expenditures.

OBJECTIVE

After you complete this lesson, you should be able to record and calculate expenditures.

STUDY QUESTIONS

After you complete this lesson, you should be able to answer the following questions:

1. What are expenditures? How do you define them?
2. What are some examples of expenditures?
3. What are the forms (paperwork) used to record expenditures?
4. How do you enter expenditures in the record book?

Put a check beside the statement that is true for you.

☐ **I can do these tasks and want to go through the Performance Checklist.**

SEE YOUR INSTRUCTOR

☐ **I want to study the information in this unit before I do the Performance Checklist.**

TURN PAGE AND BEGIN

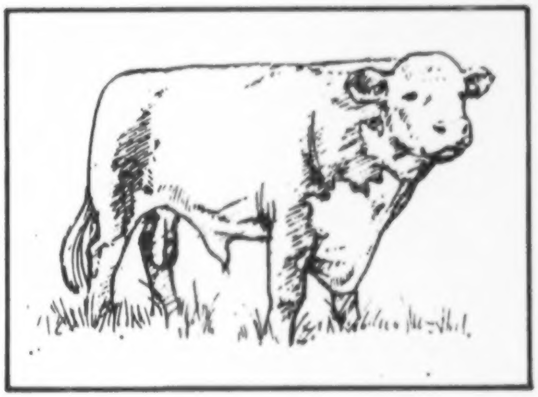
A. TERMS

1. **A.I. Service** - artificial insemination service; for breeding animals.
2. **Boot** - the difference in money between the value of a trade-in and the actual price of an object.
3. **Capital** - the money and property you own, including animals, machinery, etc.
4. **Mortgage** - a promise that property will be given to a lender if a debt is not paid by the borrower.
5. **Real Estate** - land, property, buildings; also, the business of selling land and the buildings on it.
7. **Repayment** - money paid back to a person for a previously paid expense.

B. WHAT ARE EXPENDITURES?

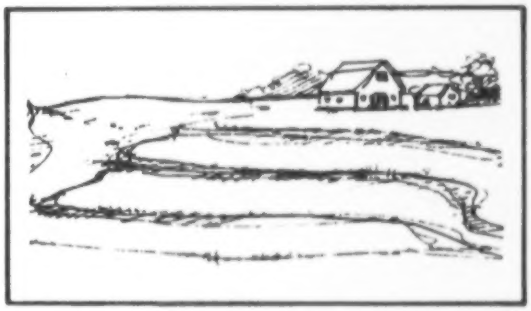
Expenditures are money spent or items consumed in order to operate your business. As with receipts, there are three categories of expenditures: (1) "Ownership," (2) "Placement," and (3) "Personal."

Ownership expenditures include:



1. **Breeding fees** - money paid for stud use or paid to the A.I. technician or veterinarian (for artificial insemination).

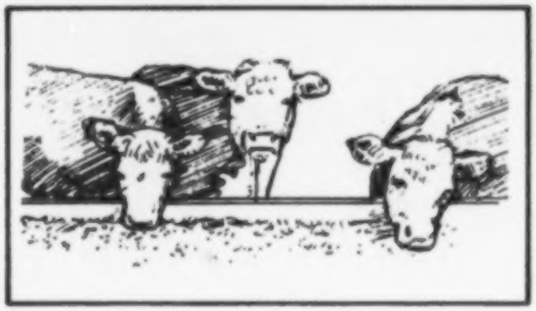
2. **Chemicals** - the cost of substances used to clean or to improve crop production or stock (such as herbicides or insecticides).



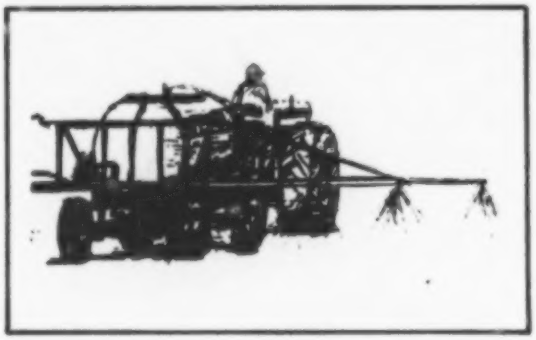
3. **Conservation** - money you spent to prevent soil erosion

(washing and/or blowing away) or to avoid killing too many plants or animals.

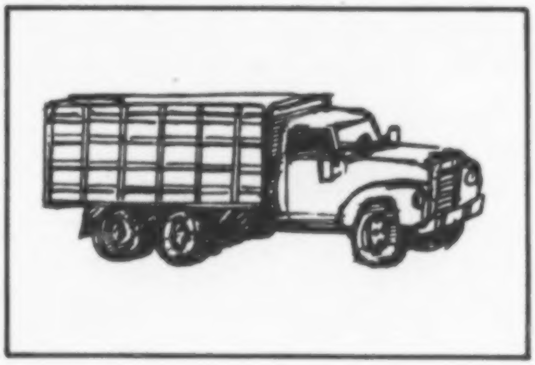
4. **Feed** - cost of food for animals (hay, pasture, rabbit food, etc.)



5. **Fertilizer and lime** - money spent on elements that improve the production of growing crops.



6. **Freight and trucking** - money paid for someone to haul items to or from your business.



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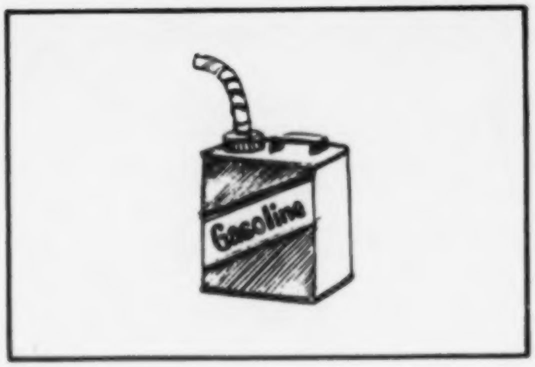
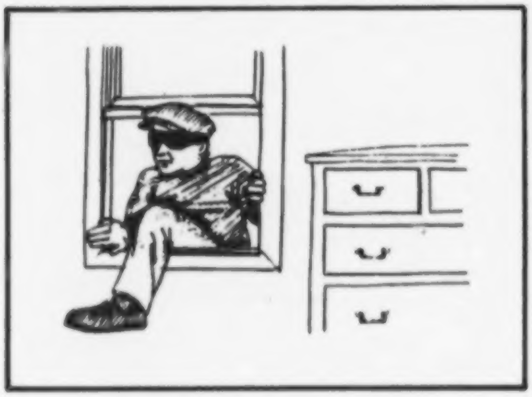
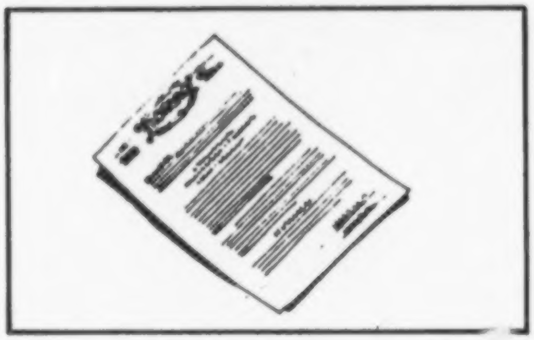
7. **Gasoline, fuel, and oil** - the cost of energy to run equipment or heat the building used by the business.



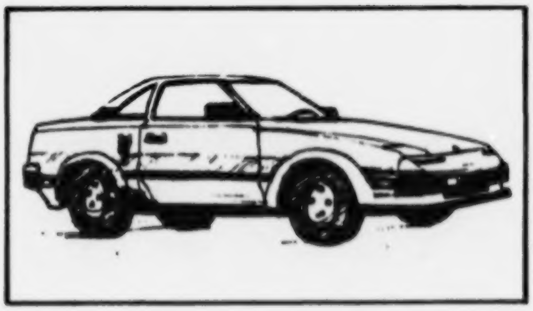
8. **Insurance** - money spent to protect your business against money loss through fires, storms, thefts, etc.



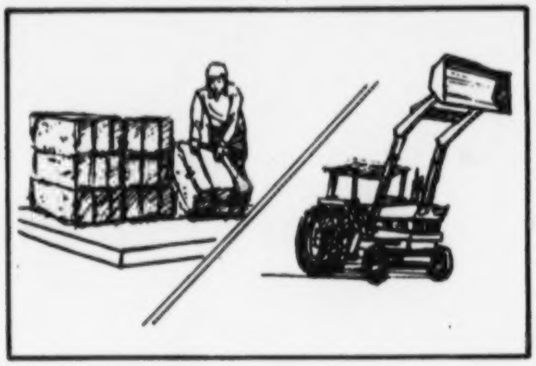
9. **Interest: mortgage** - the price you pay for borrowing money. When you borrow money to pay for land or buildings (real estate), you pay interest. A mortgage is a promise to give property to the lender if you do not repay the money.



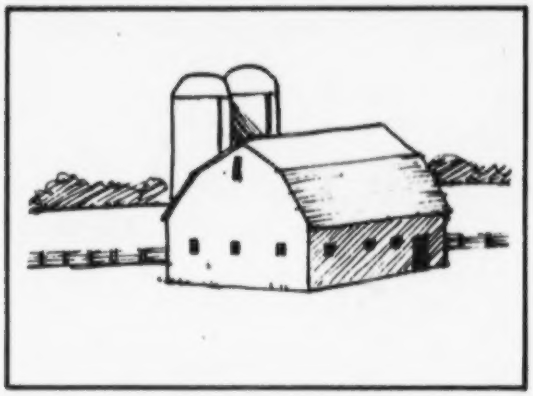
10. **Interest: other** - the cost of borrowing money to pay for something other than real estate (a car or truck, for instance).



11. **Labor hired** - wages you paid someone else.



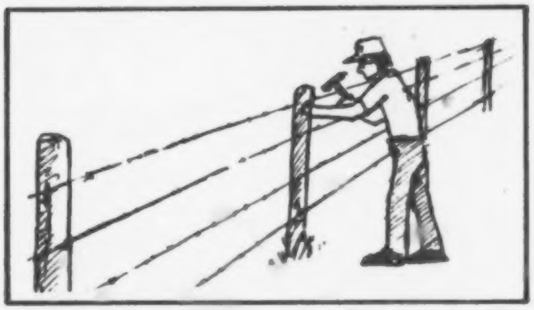
12. **Machine hired** - money paid to use someone else's equipment.



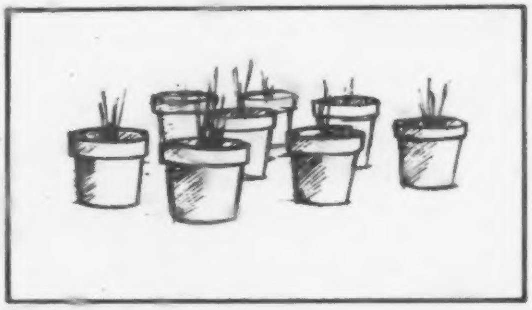
13. **Rent** - money you paid to use someone else's buildings, equipment, pasture, feed lots, etc.

14. **Repairs: machine** - money you spent to fix equipment you own or rent (lawn mowers, tillers, etc.)

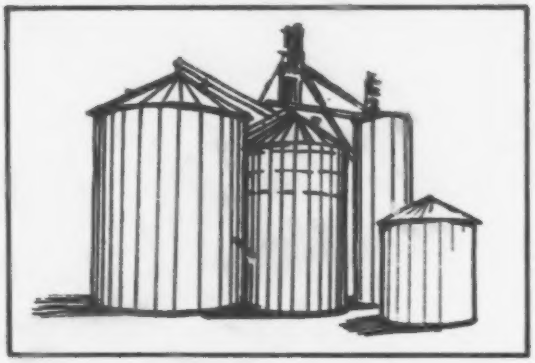
15. **Repairs: building and fence** - costs for fixing grain bins, hog houses, greenhouses, fences, etc.



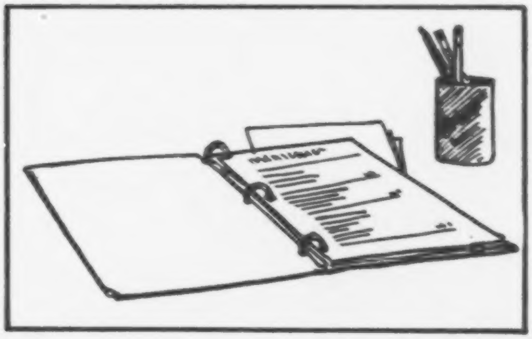
16. **Seeds and plants** - the cost of seeds to plant a crop or of bedding plants for resale, etc.



17. **Storage** - the price paid to store your feed, crops, seed, fertilizer, etc.



18. **Supplies** - money paid to buy needed items for your business (record books, pencils, paper, etc.)



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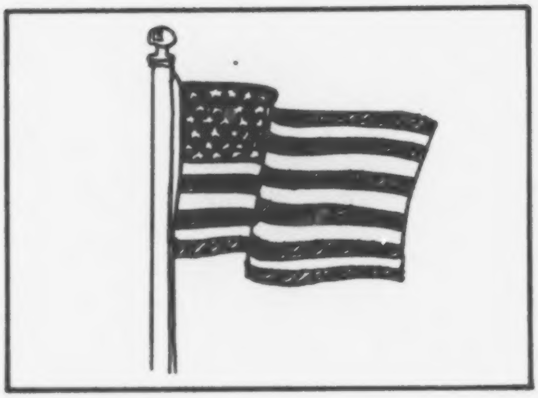
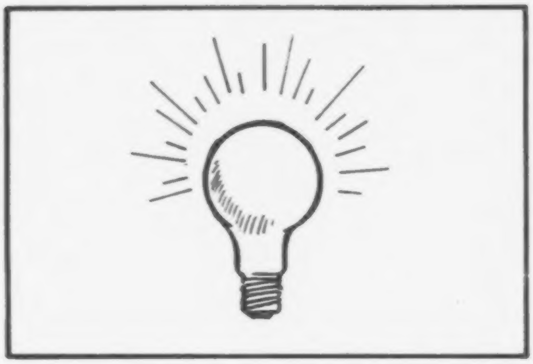
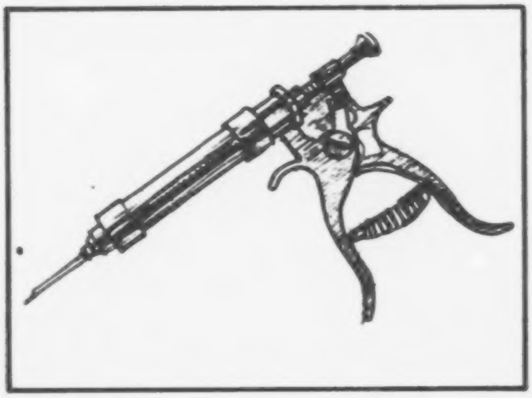
19. **Taxes** - (Paid or deducted) - money paid for taxes may be withheld from your paycheck or may be mailed to the federal government's Internal Revenue Service (IRS).



20. **Utilities** - money paid for water, gas and electricity to run the business.

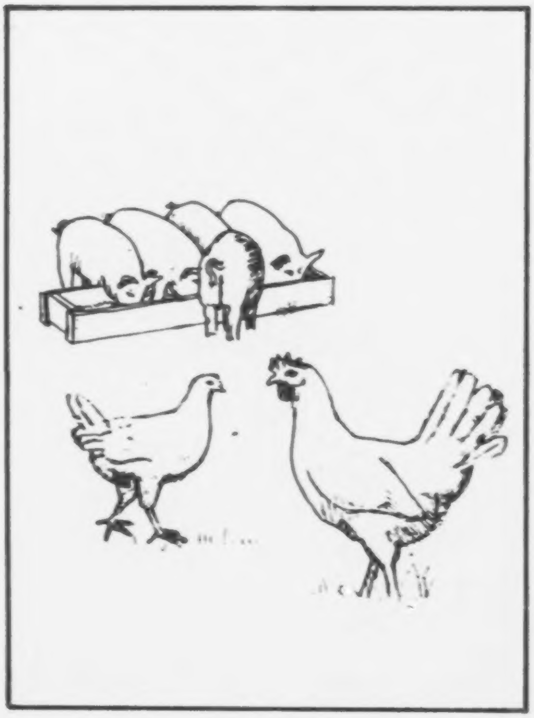


21. **Veterinary fees and medicine** - money paid to the vet for his/her services and the medicine used.



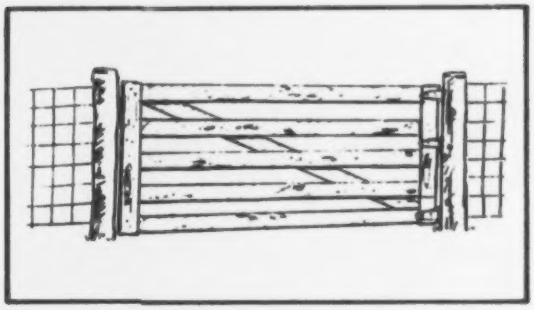
22. **Miscellaneous farm expenses** - money paid for things to help run your business (farm magazine subscriptions, income tax service, Agriculture Stabilization & Conservation Service (ASCS) measuring service, etc.)

23. **Non-breeding animals** - money paid to purchase animals meant for sale on the market rather than for raising young (for example: market hogs, market lambs, rabbits, turkeys, show dogs, etc.).



24. **Breeding animals** - money paid for animals meant for raising babies (for example: sows, ewes, dogs, goats, rabbits etc.).

25. **Machinery and equipment, fences** - money paid for such things as mowers, tillers, garden tractors, wood or metal fencing, electric fences, etc.



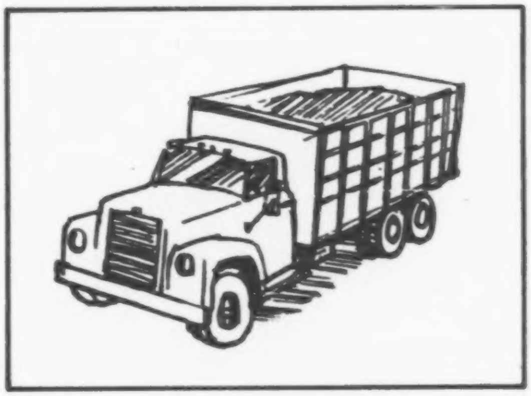
26. **Land and buildings** - money paid for lots, acres, houses, barns, etc.

27. **Principal paid on borrowed funds** - money paid back on an original amount you borrowed, not including interest.

Placement expenditures include:

28. **Wage deductions** - money your employer holds out of your pay for such things as social security, federal tax, state tax, group insurance, parking, etc.

29. **Travel/mileage** - the cost of using your vehicle for someone else's business. For example: using your car or truck for hauling or making deliveries.

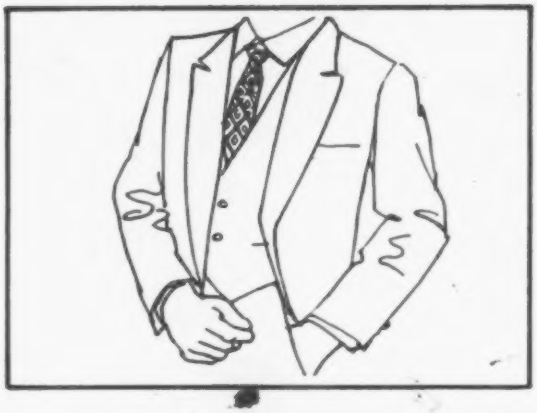


NOTE: This does not include driving to and from a placement job.

30. **Job-related expenses** - money paid for meals, uniforms, etc., which are required for your job.

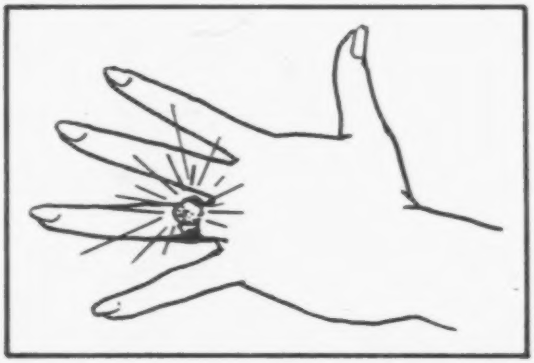
Personal expenditures include:

31. **Clothing** - money paid to buy shoes and clothes, other than special work shoes or uniforms.

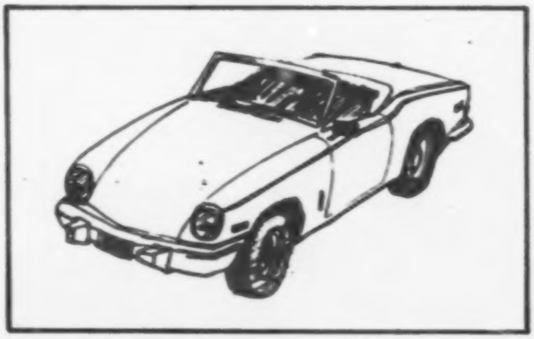


32. **Food/household** - money for food eaten at home.

33. **Amortized payments** - money for items not necessary for the business. (Examples: automobile, motorcycle, class ring, etc.)



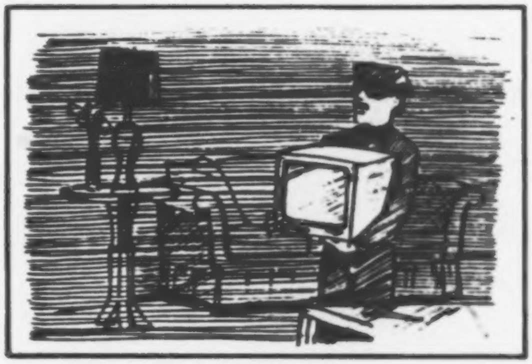
34. **Personal car/travel** - money paid for using your car to go to and from work. (This is different than driving your car as a part of the job.)



35. **Utilities** - money paid for water, gas, and electricity not for the business.

36. **Non-farm principal** - money paid for a loan that was not for agricultural business purposes. The principal does not include interest charges.

37. **Casualty and theft loss** - the value of an item stolen or damaged is the loss. (Examples: car stereo, CB radio, computer, etc.)



38. **Contributions/donations** - money you gave to an club, church or organization. (This includes membership fees and class dues).

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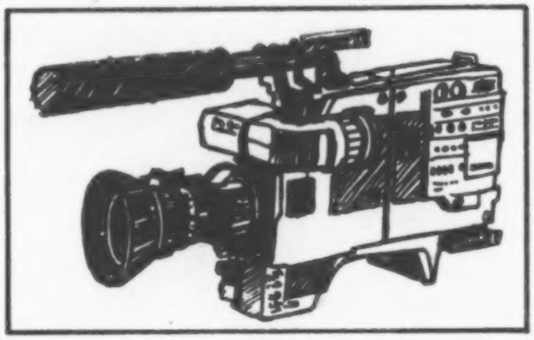
39. **Interest: mortgage** - money paid to buy large personal items on credit. (Examples: automobiles, personal computers, stereos, etc.).



40. **Interest: other** - money paid to buy smaller personal items such as clothes, record albums, etc. using a credit card or charge account.

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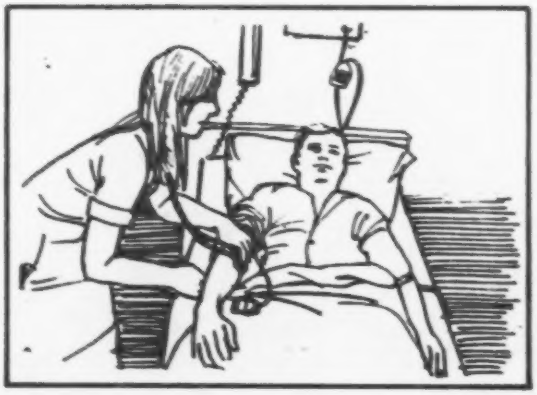
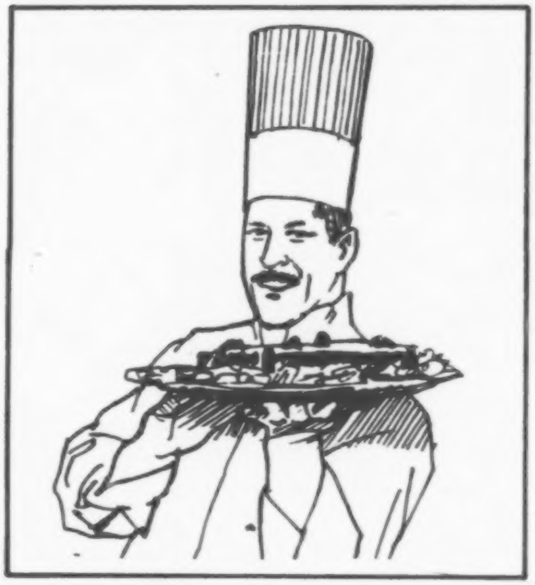
41. **Property Taxes** - money you pay the government for things you own (cars, motorcycles, boats, houses, etc.).



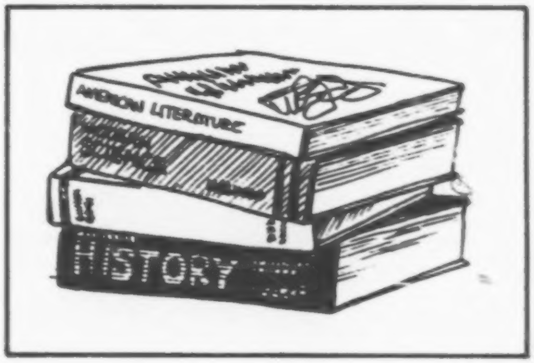
42. **Medical** - money paid for doctors, hospital visits and medicine.

43. **Miscellaneous** - costs that will not fit under another category.



44. **Entertainment** - money paid for movies, plays, concerts, skating, eating out, etc.

45. **School (education)** - money paid for books, tuition, safety glasses, school supplies, etc.

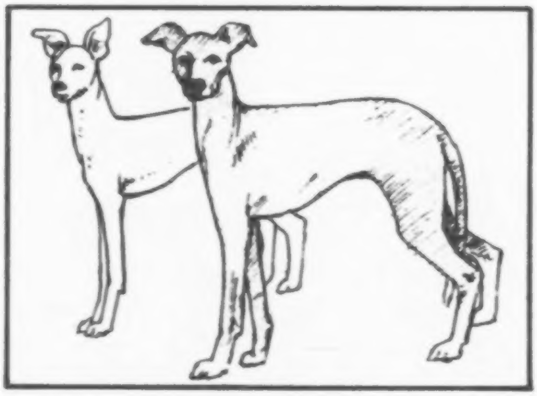

AMERICAN LITERATURE
HISTORY

C. WHAT ARE EXAMPLES OF EXPENDITURES?

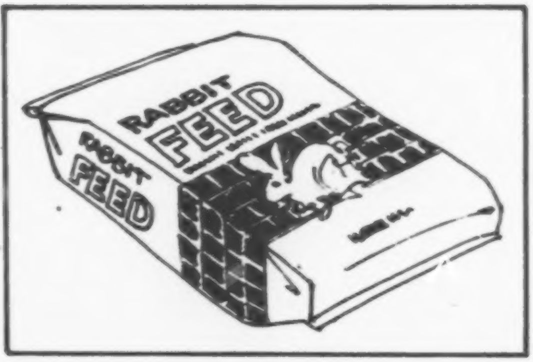
Some words that can mean an expenditure are:

Purchased
Deduction
Out go
Paid
Expense
Outlay
Spent
Cost
Bought
Use of

Below are some examples of expenditures:

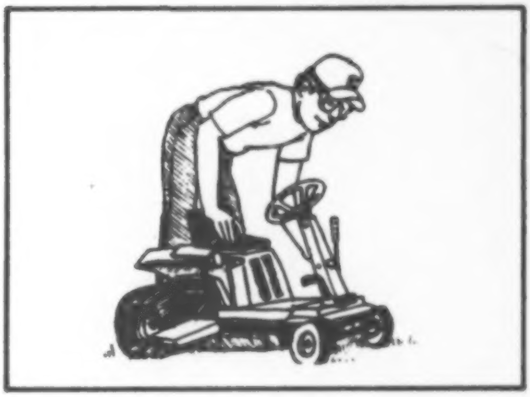


1. Mickey purchased some registered dogs. In place of the money he had, he now has the dogs.

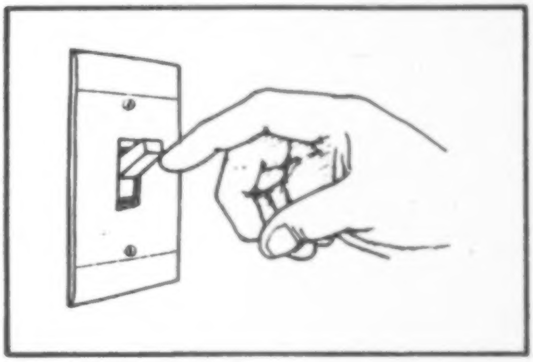


2. Shana spent $10.00 for rabbit food. Her billfold is now empty.

3. The cost of Lloyd's lawn mower was $2,500. He took the money from his bank account.



4. Having to pay for the use of utilities was an unexpected expense for James. Luckily, he had enough in his checking account to pay for it.



DO SKILL SHEET 1

EXPENDITURES

SKILL SHEET 1

Directions: Put an "E" in front of the statements that describe an expenditure. Put an "R" in front of the statements that describe a receipt.

___ 1. Eunice will purchase 40 flats of bedding plants. She will use the plants in her horticulture project.

___ 2. Laurel received $10 in tips from her job as a waitress.

___ 3. John wrote a check for his feed when he picked it up at the store.

___ 4. The tomatoes Joy sold were from her truck patch. The tomatoes were good quality. People liked to buy them from her.

___ 5. No one likes the expense of having to use a veterinarian for sick animals. It cuts into the profit of the business.

___ 6. Money from David's pay check at the muffler shop paid for his insurance.

___ 7. Calvin had not thought about paying for the use of the pickup truck for hauling his lawn mower to the job site.

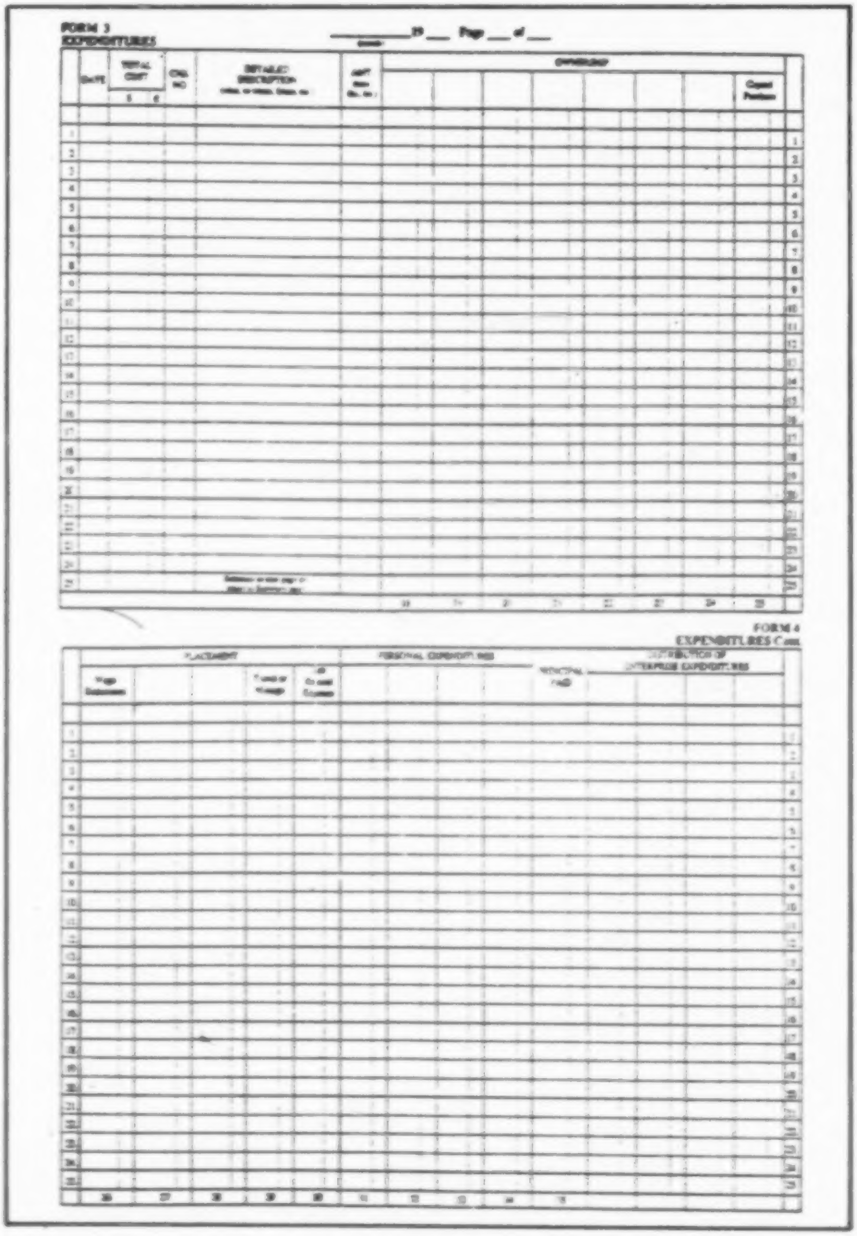
___ 8. The cost of using your car to make money for someone else's business is a placement expenditure.

___ 9. To begin a business, you often have to spend a lot of money. But you hope later your project will be worth the money.

___10. Sam has to make payments on the loan he got from the bank when he purchased his cow and calf.

D. USING THE RECORD-BOOK FORMS FOR EXPENDITURES

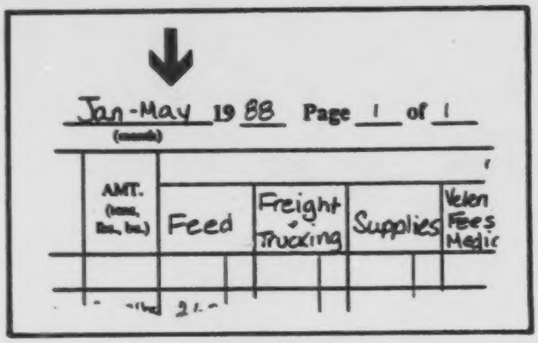
The expenditure forms have been color-coded pink so you can recognize them easily and keep the expenditures separate from receipts.



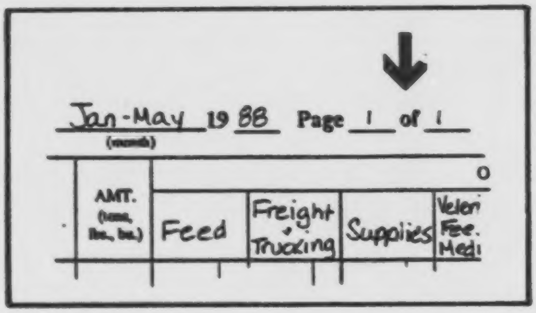
FORM 3
EXPENDITURES

FORM 4
EXPENDITURES Cont.

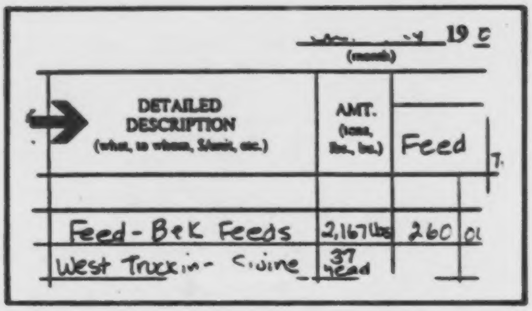
1. Across the top of the page, in the center, is a place for the month(s) and year(s) for the page.


Jan-May 19 88 Page 1 of 1
(month)
AMT. (tons, lbs., bu.)
Feed
Freight + Trucking
Supplies
Veter Fees Medic

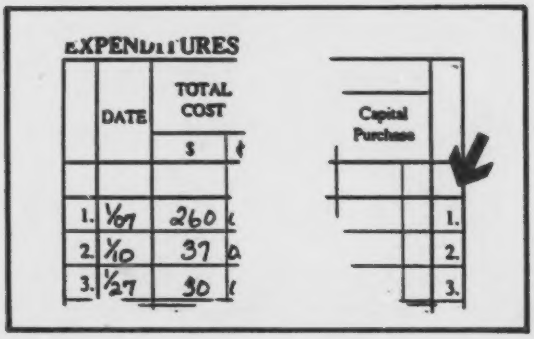
2. At the top center of the page, there is a place for the page number.


Jan-May 19 88 Page 1 of 1
(month)
AMT. (tons, lbs., bu.)
Feed
Freight + Trucking
Supplies
Veter Fee. Medi

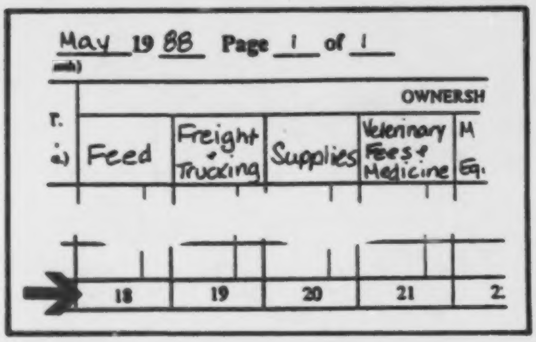
3. Column headings across the top of both pages show categories for expenditures. There are blank boxes, which you fill in as needed, under some of the main categories.


19
(month)
DETAILED DESCRIPTION (what, to whom, $/unit, etc.)
AMT. (tons, lbs., bu.)
Feed
Feed - B&K Feeds
2,167 lbs
260
West Trucking - Swine
37 head

4. Rows are numbered on both sides of the two pink sheets.


EXPENDITURES
DATE
TOTAL COST
$
Capital Purchases
1. 1/07 260
2. 1/10 37
3. 1/27 30
1.
2.
3.

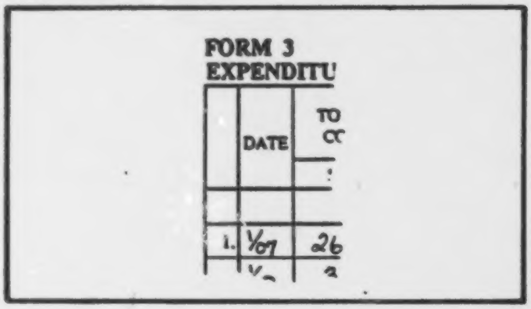
5. Columns are numbered across the bottom of the page.



May 19 88 Page 1 of 1

	OWNERSH				
	Feed	Freight + Trucking	Supplies	Veterinary Fees + Medicine	M Eq.
	18	19	20	21	2

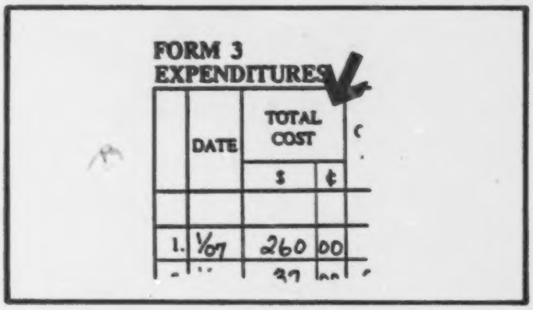
6. A column for the date is first. Enter the date of an expenditure in the first column.



FORM 3
EXPENDITU

	DATE	TO CC
1.	1/07	26

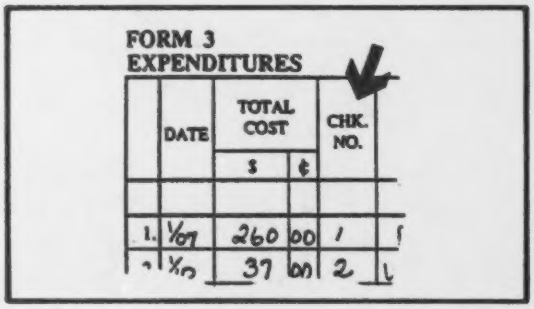
7. The "total cost" goes in the next column. Record the total cost, or how much you spent, in this column.



FORM 3
EXPENDITURES

		TOTAL COST	
	DATE	$	¢
1.	1/07	260	00

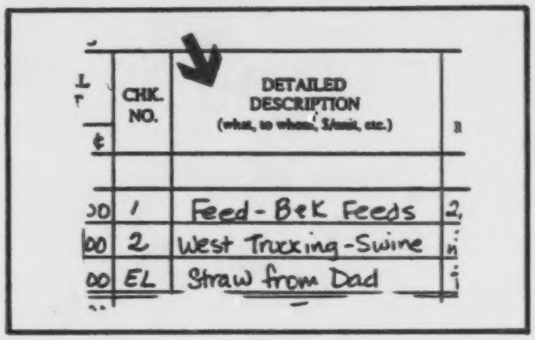
8. Next is a place for the check number. Put the number of the check (CHK. NO.) you wrote to pay for the expenditure here.



FORM 3
EXPENDITURES

		TOTAL COST		
	DATE	$	¢	CHK. NO.
1.	1/07	260	00	1
		37	00	2

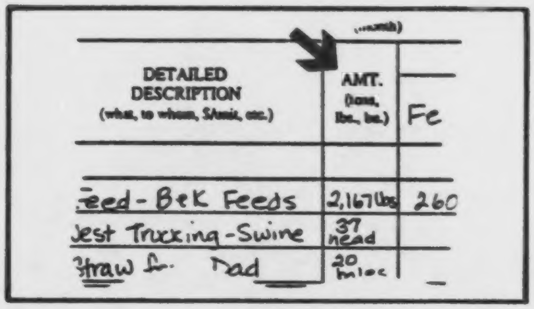
9. Write a "detailed description" in the next space. Always write what you paid and to whom you paid the money.



¢	CHK. NO.	DETAILED DESCRIPTION (what, to whom, $/unit, etc.)	
0	1	Feed-Bek Feeds	2,
00	2	West Trucking-Swine	
00	EL	Straw from Dad	

10. The statement "Subtotals brought forward from proceeding page" is already written under "detailed description on every FORM 3 EXPENDITURES SHEET except the first one in your book.

11. Record the "amount" (tons, lbs., bu.) you bought here.



DETAILED DESCRIPTION (what, to whom, $/unit, etc.)	AMT. (tons, lbs., bu.)	Fe
eed-Bek Feeds	2,167 lbs	260
est Trucking-Swine	37 head	
traw f. Dad	20 bales	

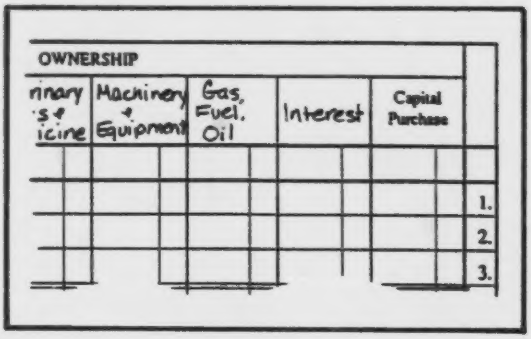
12. You must now choose to record the expense under one of three categories:

   (1) **"ownership"** expenditures for a business you own,

   (2) **"placement"** for expenditures connected with work you do for someone else, or

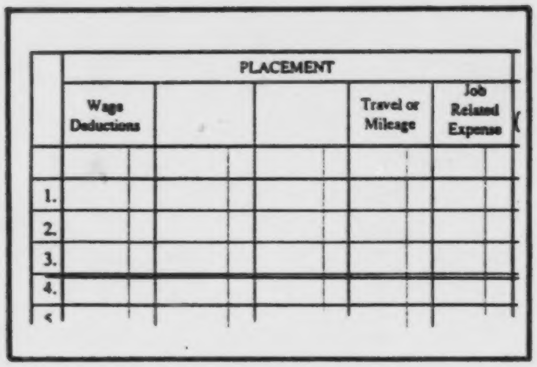
   (3) **"personal"** expenditures for your own use, not connected with work.

13. Several blank columns are under the heading "Ownership." One column is already labeled "Capital Purchase." If you bought the equipment you're using, record the cost under ownership.



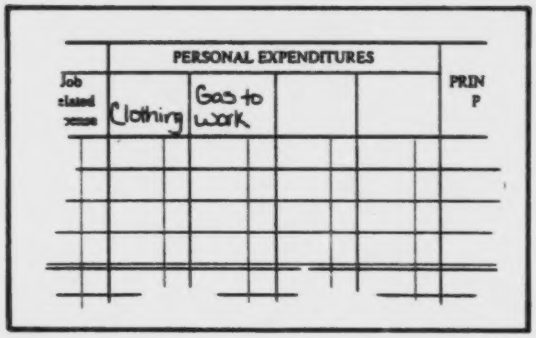
OWNERSHIP					
rinary s & icine	Machinery & Equipment	Gas, Fuel, Oil	Interest	Capital Purchase	
					1.
					2.
					3.

14. "Placement," is the heading used to record expenses related to work for wages for someone else. The placement category has several columns. Three are labeled already. Two are blank in case you need them.



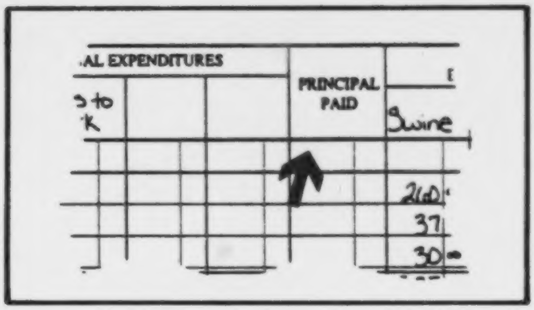
	PLACEMENT				
	Wage Deductions			Travel or Mileage	Job Related Expense
1.					
2.					
3.					
4.					

15. "Personal Expenditures" has four blank columns, which you can fill in as needed. Personal expenditures might be your clothes or gas to get to a job.



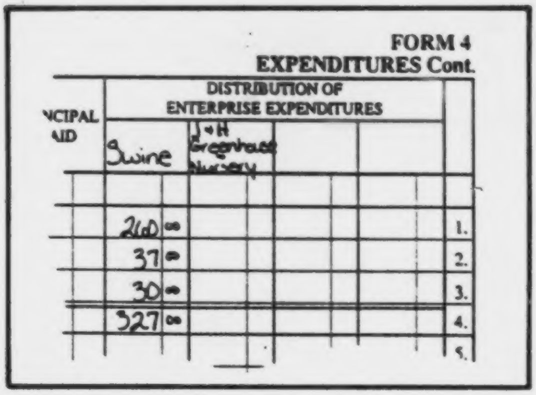
	PERSONAL EXPENDITURES				
Job elated ense	Clothing	Gas to work			PRIN P

16. The "Principal Paid" column stands alone. It has places for both dollars and cents. The principal paid is the amount you have paid back from an original loan. It does not include the interest you pay. Interest is recorded under another category.



AL EXPENDITURES
PRINCIPAL PAID
Swine
260
37
30

17. There are four blank columns under "Distribution of Enterprise Expenditures." These columns help you keep expenditures for different businesses separate.



FORM 4
EXPENDITURES Cont.

NCIPAL AID	DISTRIBUTION OF ENTERPRISE EXPENDITURES Swine	J+H Greenhouse Nursery			
	260 00				1.
	37 00				2.
	30 00				3.
	327 00				4.
					5.

DO SKILL SHEET 2

EXPENDITURES

SKILL SHEET 2

Directions: Write the letter of the correct column heading in each blank. Some will have more than one letter.

A. Date
B. Total Cost
C. Personal
D. Detailed Description (what, to whom, $/unit, etc.)
E. Amt. (tons, lbs., bu.)
F. Ownership
G. Chk. No. (check #)
H. Placement Expenditures
I. Principal Paid
J. Distribution of Enterprise Expenditures

___ 1. Under which column would you write January 12 or 1/12?

___ 2. Under which two headings would you write the price, if you paid $1,200 of your own money, for two cows?

___ 3. If you want to separate the money spent on your rabbit business from the money spent on your bedding plant business, you would write the price under the column?

___ 4. Besides "Total Cost," the price of a sweater you bought for school would be written under which category?

___ 5. Are wage deductions ownership, placement or personal expenditures?

___ 6. Under which column would you record your purchase of 10 bushels of corn?

___ 7. Pretend you borrowed money from a bank. Under which column would you record the amount you paid back of the original loan amount (not including the interest)?

___ 8. Under which heading would you describe the expenditure in #7?

___ 9. Under which heading would you write the check number with which you paid the expenditure in #7?

___10. Under which columns would you write information about a rabbit purchased on May 2 from Bambi Jones for $2.50?

EXPENDITURES

ACTIVITY SHEET 1

Directions: Using the pink FORM 3 EXPENDITURES and FORM 4 EXPENDITURES CONT'D. and the Sample Entries for the Missouri Agricultural Records Book for Secondary Students, provided by your teacher, fill in the columns that fit the expenditures you are recording in the record book. Leave out the ones that do not pertain to this activity sheet.

At the top of the page on the pink form, write the months "Jan.- May" and "Page 1 of 1."

Pick out the first activity that is an expenditure. The first item is an expenditure because money was spent:

Date	**Description**
1/07/88	**Purchased 2,167 lbs. of feed from B & K Feeds for $260; Check #1**

1. At the top center of the first page write Jan. - May 88, Page 1 of 1. This will be used to record the first five months of a year. Three pages will complete the year.
2. On the sample, notice the date of the transaction (1/7/88). Write the date on row 1 under the column heading DATE.
3. Insert the amount of money paid ($260) for the feed under the TOTAL COST column on row 1.
4. Look at the sample entry. It shows that check #1 was written to pay the expense. On row 1, under CHK. NO., put the number "1."

5. Record what was purchased and from whom on row 1 under DETAILED DESCRIPTION. (Feed - B & K Feeds)
6. Write the number of pounds (2,167 lbs.) of feed in the next column.
7. The owner of the business bought the feed. Under the main heading OWNERSHIP, fill in the first blank. Write "Feed" and, under that, on row 1, record the cost of the feed ($260).
8. Because the feed was purchased to feed pigs, put "Swine" in the first blank under the main heading DISTRIBUTION OF ENTERPRISE EXPENDITURES. On the first row, in the column under Swine, enter the amount of money spent on the feed ($260).

NOTE: Notice that you recorded the money in three places across the two expenditure forms.

Good job! You have finished your first entry. Have your instructor check to make sure you did it correctly. Find the next expenditure.

NOTE: The second entry is a receipt, which would be written on the green forms (see Lesson 1) because pigs were sold and money was received. Skip this entry and find the next expenditure.

Date	**Description**
1/10/88	**Paid $37 to West Trucking Company for hauling 37 feeder pigs to market; Check #2**

1. On row 2, write the date the bill was paid.
2. The total charge for the hauling is $37. Write that amount on row 2 under TOTAL COST.
3. On that same row, show that the bill was paid with check number "2."

4. A detailed description will show who (West Trucking Co.) did what (hauled 37 feeder pigs). Write that on row 2.
5. The amount (AMT.) is 37 head. Write it under its proper heading.
6. In the second box under the category OWNERSHIP, write "Freight & Trucking." In the second row under that, write $37.
7. The only other space that pertains to this transaction is DISTRIBUTION OF ENTERPRISE EXPENDITURES. Write "Swine" in the first box to show which business spent the money. Under that, on row 2, put $37.

Good! Notice that this is similar to the way you recorded receipts. Look at the sample entry sheet for the next expenditure.

This next entry is tricky. You already entered it as a receipt in Lesson 1. Now it is also used as an expenditure. Something was received in place of a paycheck for work, but now it is entered as if it were purchased with the money you would have made. The step of handing money back and forth is eliminated.

Date	Description
1/27/88	**Received 20 bales of straw from Dad; Total value - $30; Exchange of labor (9 hrs.)**

1. This is an expenditure because you spent your time. It is the same as if your dad paid you money, and you spent the money for the straw.
2. Put the DATE in the first column on row 3.
3. Insert the TOTAL COST in the second column on the same row (3).
4. Under check number (CHK. NO.) write EL for exchange of labor.
5. Write a DETAILED DESCRIPTION ("Straw from Dad") on row 3.
6. List the number of bales (20 bales) under AMT. on row 3.

7. In column 20 under OWNERSHIP, record the value of the straw ($30). Straw is a supply.
8. The straw will be used for the pigs, so place the $30 expenditure under DISTRIBUTION OF ENTERPRISE EXPENDITURES - "Swine."

Those are the only expenditures for the month of January. Let's total the month. The month's totals become subtotals for the year.

1. Use a red pencil or make another little line under the line of row 3 so that it looks like a double line. Draw it completely across both expenditure forms. Doing this lets you see the records from different months quickly.
2. On row 4 under DATE, write the date of the last day of January (1/31).
3. No check was written. Leave that and the other spaces blank.
4. Add all three expenditures for the month. Write the sum on row 4 under TOTAL COST.
5. Write a DETAILED DESCRIPTION ("Total for January") on row 4.
6. Total each column of expenses all across the two form pages. Be sure to write the totals on row 4.

That's it! You have finished the first month's expenditures. Now go to the first entry in February.

Date	**Description**
2/07/88	**Purchased 1,750 lbs. of feed from B & K Feeds for $210; Check #3**

1. Skip a line between months. On row 6, enter the date.

2. The TOTAL COST, or the amount you paid, is what you put in the next column on row 6.
3. Record that the bill was paid with check #3.
4. Write a detailed description of what you bought: what and from whom (Feed - B & K Feeds).
5. Write the number of pounds of feed that were purchased under AMT.
6. In the column labeled "Feed," under the category OWNERSHIP, write the price of the feed.
7. One more place you need to put the price of the feed is under DISTRIBUTION OF ENTERPRISE EXPENDITURES - "Swine."

Good! Let's keep going.

Date	**Description**
2/13/88	**Spent $97 at R & S Department Store for clothes; Check #4**

1. Write the date on row 7.
2. Write how much money was spent on the clothes under the category TOTAL COST.
3. Write the check number next.
4. Write a DETAILED DESCRIPTION of what was bought and where it was bought. Stay on row 7.

5. This clothing bill was a PERSONAL EXPENDITURE, so look for that category on the FORM 4 page and write "clothing" in the first blank box under it. Under "clothing," on row 7, write $97.

NOTE: The DISTRIBUTION OF ENTERPRISE EXPENDITURES section is only used to separate costs of different businesses.

Good! That is all for that entry. Go to the next one.

Date	**Description**
2/24/88	**Purchased 3 sows (total weight of 1,200 lbs.) from Smith Farms for $500; Check #5**

1. Enter the date on row 8.
2. Record the price paid for the sows on row 8 under TOTAL COST.
3. Put the check number in the next column.
5. Write a description that tells what you bought and from whom.
6. Show how much the sows weighed under AMT.
7. Write the amount of money paid under "Capital Purchase" in column 25 under OWNERSHIP.
8. Sows fit the category of the "Swine" business. Write the cost under DISTRIBUTION OF ENTERPRISE EXPENDITURES.

You are catching on quickly! Notice there are no more expenditures for February, so total the month.

1. Draw the red line or double black line at the bottom of row 8.
2. The last day of February (2/28) goes under the date.
3. Add together the three expenditures for the month of February. Do not add January's expenditures into these figures.
4. The description is "Total for February."
5. Now add the expenditures for February only across the rest of the two forms.

You're moving right along! Go to March.

Date	**Description**
3/02/88	**Paid Hughes Vet Clinic $12 for medicine for swine; Check #6**

1. Record the date in the first column on row 11.
2. Enter the cost of the bill under TOTAL COST.
3. Do not forget to write the check number.
4. Write the description of why the money was spent (to whom, for what).

5. In a header box, under the category OWNERSHIP, write "Veterinary Fees & Medicine" in column 21. Show the amount spent on row 11 in that column.
6. That should also be recorded as an expenditure for the "Swine" business under the heading DISTRIBUTION OF ENTERPRISE EXPENDITURES.

That's fine! Look for the next expenditure entry.

Date	Description
3/08/88	**Paid $420 to B & K Feeds; $220 for 1,833 lbs. of feed; $200 for a feed trough; Check #7**

1. Show the date on row 12.
2. Put the total cost in next ($420).
3. The check number goes next.
4. Write a detailed description showing the two things bought and from whom they were bought.
5. Write, under OWNERSHIP, three things: (1) the $220 for Feed in column 18, (2) a new header for column 22 and (3) "Machinery & Equipment" $200.

6. To distribute the expenditures for different businesses, put the money back together and copy the same amount as the total cost. Remember to keep it on row 12.

Great! Now total the entries for March.

1. Draw the dividing line as you did for the other months.
2. Show the date (3/31/88) on row 13.
3. Add the two entries for March and write the sum.
4. Write "Total for March" as the detailed description.
5. Total the rest of the columns across the two pages. Remember to use only March's two rows.

That's all for March! Look at the entries for April.

Date	Description
4/07/88	**Purchased 2,000 lbs. of feed from B & K Feeds for $240; Check #8**

1. Write the date. Do not forget to skip a line. Use row 15.
2. Put the total cost next.
3. Do not forget to write the check number.

4. Describe what you bought and from whom.
5. Write the number of pounds purchased.
6. Under OWNERSHIP - "Feed," copy the amount of money spent.
7. Copy it again under "Swine" in the category of DISTRIBUTION OF ENTERPRISE EXPENDITURES.

Swell! You have the idea! Find the next entry.

Date	Description
4/18/88	**Bought a 400 lb. boar from Smith Farms for $275; Check #9**

1. On row 16, put the date.
2. Find the total cost and enter it.
3. Show which check (check number) was written for the boar.
4. Tell what you bought and from whom.
5. How many pounds (lbs.) did the boar weigh? Enter it.
6. This was a "Capital Purchase," which is listed under OWNERSHIP. Record the price paid for the boar in column 25 at row 16.
7. Record the price under "Swine" in the category DISTRIBUTION OF ENTERPRISE EXPENDITURES.

Great! You're getting faster. Now look at the next expenditure entry.

Date	Description
4/30/88	**Received 15 bales of straw from Dad; Total value - $23; Exchange of labor (7 hrs.)**

1. Even though you received the hay for working, you spent the time. Therefore, you must record it as an expenditure as if you had paid money for it.
2. Show the date on row 17.
3. The total cost is the value of the labor.
4. There was no check written, but put "EL" under the CHK. NO. column. (EL = Exchange of Labor)
5. Describe what you purchased (not with money, but with your work) and from whom you purchased it.
6. How many bales did you purchase? Enter the number.
7. The $23 was for Supplies. You have a column for that under OWNERSHIP (column 20). Enter the amount there.
8. This expenditure was for the swine business, so go ahead and finish the DISTRIBUTION OF ENTERPRISE EXPENDITURES.

OK! That is all for April. Now you must total the month.

1. Draw the dividing line.

2. Write the date for the last day of April.
3. Add the three total costs for the month, and write that sum.
4. Write a description of what you are doing. (Remember how you recorded January, February and March.)
5. Add any columns with numbers across the rest of the forms. Remember this is only for April's rows (rows 15, 16 and 17).

Good Job! Now look at the next entry, in May.

Date	**Description**
5/02/88	**Spent $8 at Acme Farm Supply for one pair of gloves; Check #10 (enterprise to swine)**

1. The date is May 2. Enter it on row 20.
2. Show the cost.
3. Put the check number next.
4. Write the name of the store to which you wrote the check, and write what you bought.
5. The amount was one pair. Enter this amount.
6. These gloves will be used for work in your business. Record the price under OWNERSHIP - Supplies.

7. The expenditure is also for your swine business, so record the purchase price under the proper category of DISTRIBUTION OF ENTERPRISE EXPENDITURES.

Good! Go to the next entry.

Date	**Description**
5/07/88	**Paid feed bill at B & K Feeds; $290 for 2,417 lbs. of feed; Check #11**

1. Write the date on the next row (21).
2. Put how much was paid on the bill.
3. Show which check was written.
4. Describe what was bought and from whom.
5. Record the amount of feed.
6. Enter the price in column 18.
7. Under DISTRIBUTION OF ENTERPRISE EXPENDITURES, put the price under the "Swine" business.

Great job! Let's move right on.

Date	Description
5/19/88	**Spent $4 at Taylor Oil Co. for 5 gal. of gas; Check #12 (enterprise to swine)**

1. Write the date and the total cost. Use row 22.
2. Put the check number.
3. Print the description. Include to whom and for what.
4. Place the number of gallons (gal.) in the correct column.
5. Make a new heading at the top of column 23 called "Gas, Fuel, & Oil." Record the $4 under that on row 22.
6. Remember to distribute the expense to swine.

You are doing great!

There are no more expenditures for May, so total the month.

1. Draw the dividing line.
2. Write the last day of the month for the date.
3. Add the three May entries.
4. Write which month you are totalling.
5. Add the rest of the columns. Remember to use only the rows for May.

Good job! You've finished the first six months.

EXPENDITURES

ACTIVITY SHEET 2

Directions: Using the Sample Entries for the Missouri Agricultural Record Book for Secondary Students and the pink expenditure FORMS 3 & 4, complete the entries for June-September.

At the top of the pink expenditures form write "June - Sept., Page 1 of 1." Copy the column headings you used on the previous pages (Activity Sheet 1). Be sure to use the same column number for each heading. Find the first expenditure for June on the sample entries sheet.

Date	Description
6/04/88	**Paid $46 to West Trucking Company for hauling 46 feeder pigs to market; Check #13**

1. Write the date, the cost, and the check number.
2. Describe to whom the check was written and for what.
3. How many head of feeder pigs were hauled (the amount)?
4. Under "Freight & Trucking" (column 19), record the shipping charges.
5. Record the charges again under "Swine" in the DISTRIBUTION OF ENTERPRISE EXPENDITURES category.

That's the way! Find the next sample entry for expenditures in June.

Date	Description
6/08/88	**Purchased 1,917 lbs. of feed from B & K Feeds for $230; Check #14**

1. Write the date and cost of the feed on row 2.
2. Show that check #14 was written to pay for the feed.
3. Explain what was purchased and from whom.
4. Record the pounds of feed bought.
5. Enter the cost under OWNERSHIP "Feed."
6. The feed was for pigs. Put the expenditure under the Swine enterprise.

There you go! Go to the next expenditure sample entry.

Date	**Description**
6/30/88	**Gas expense to work for June; $40**

1. Show the date and the cost on row 3.
2. The expense was paid in cash, so there is no check number. Put a dash instead of a check number.
3. The description is "Gas Expense to Work."
4. The number of gallons (amount) is unknown; so leave the AMT. column blank.
5. Gas to go to work is a PERSONAL EXPENDITURE. In column 32, write "Gas to Work," and on row 3 show the cost.
6. Work is at J & H Greenhouse & Nursery. Put the $40 expenditure under that column in the category of DISTRIBUTION OF ENTERPRISE EXPENDITURES.

Super! Select the next sample entry for expenditures.

NOTE: This next entry is tricky. You already entered the gross pay on the receipts form, but now you must record the deductions as expenditures.

Date	Description
6/30/88	**Earned $268 gross pay from J & H Greenhouse & Nursery; $68 wage deductions; 67 hrs. labor**

1. Write the date and the $68 wage deduction on row 4.
2. Put a dash in the check number column. Even if the wage was paid by check, there is no reason to record the number of a check someone else writes for you. That is for their records.
3. Describe the business and the deduction.
4. Under PLACEMENT, there is a place set up for wage deductions. Put $68 on row 4, column 26.
5. Write the amount under the J & H Greenhouse & Nursery enterprise.

You're getting faster! Go to the next sample entry.

NOTE: This is another tricky one. You already recorded it under receipts.

Date	Description
6/30/88	**Received 10 bales of straw from Dad; Total value - $15; Exchange of labor (5 hrs.)**

1. Show the date and the value of the straw on row 5.
2. Put EL in the check number column. (EL = Exchange of labor.)
3. Describe getting straw from Dad.
4. The amount is the number of bales.
5. Straw is a supply for the swine business. Show the $15 value in column 20.
6. Enter the value again under "Swine" to distribute the enterprise.

Great job! Now total the month of June.

1. Draw the dividing line.
2. The date is the last day of the month.
3. Add the five TOTAL COST entries for the month and write the sum.
4. Describe what you are doing.
5. Add all the rest of the columns and write the sums.

That is all for June! Go to the next sample entry.

Date	**Description**
7/08/88	**Purchased 1,833 lbs. of feed from B & K Feeds for $220; Check #15**

1. Show the date and total cost on row 8.
2. Put the check number next.
3. Write the description by putting what was bought and from whom.
4. The amount is the pounds. Record it.
5. Column 18 in the OWNERSHIP category is labelled "feed." Show the cost there.
6. Distribute the cost of the feed to the swine business.

Moving right along! Look at the next sample entry.

Date	**Description**
7/11/88	**Bought 18 gal. of gas at Taylor Oil Co. for $14; Check #16 (enterprise to swine)**

1. Put the date, the total cost and the check number on the next row.
2. Write a description of the transaction.
3. Show the amount of gas in gallons.
4. Enter the cost in column 23 under OWNERSHIP - Gas Fuel & Oil.

5. Record the cost in the correct enterprise expenditures column.

Another one done! Get the next sample entry.

Date	Description
7/31/88	**Earned $284 gross pay from J & H Greenhouse & Nursery; $71 wage deductions; 71 hrs. labor**

1. Look at row 4, and use it as an example as you enter the information. Remember, only the deductions are expenditures.

That's fine! Next sample entry.

Date	Description
7/31/88	**Gas expense to work for July: $40**

1. Look at what you did on row 3 and use that as an example.
2. Be sure to record it as a PERSONAL EXPENDITURE.

You are doing more by yourself now! Now total July.

1. Draw the line and complete this as you have the previous months.
2. Remember to add only July's figures.

Go to the next sample entry.

Date	Description
8/02/88	**Paid $25 for a new work uniform; Check $ 17**

1. Record the date, cost and check number on row 14.

2. A simple description is "Uniform for Work" and the amount is "one set."
3. This is a job-related expense for column 30.
4. The enterprise is the "greenhouse & nursery."

Good job! Now go to the next sample entry for expenditures.

Date	Description
8/07/88	**Purchased 2,000 lbs. of feed from B & K Feeds for $240; Check #18**

1. Look at row 2 and use it as an example as you enter the information. Be sure to use the numbers for this transaction and not the numbers in row 2.

OK! Go to the next sample entry.

Date	Description
8/12/88	**Paid $150 to Easy Bank on swine loan ($125 principal, $25 interest); Check #19**

1. Show the date, the total cost and the check number.
2. This one is a little different. Under OWNERSHIP, write "Interest," and in row 16, column 24, show the interest cost. Because the interest is a tax deduction, but the principal is not, the two numbers are separated.
3. In column 35, show the principal paid.
4. Distribute only the interest to the swine business. The principal was already recorded as an expenditure when you borrowed it and purchased the swine.

Now you know something new! Find the next sample entry.

Date	Description
8/19/88	**Paid $31 to West Trucking for hauling 31 feeder pigs; Check #20**

1. Use row 1 as an example, and fill in the information. But don't mix up the numbers from row 1 with the numbers in this entry.

See, you did it! Go to the sample entries sheet for the next expenditure.

Date	Description
8/31/88	**Earned $268 gross pay from J & H Greenhouse & Nursery; $68 wage deductions; 67 hrs. labor**

1. Put the date on row 18.
2. There are three places to record the $68 wage deduction: (1)TOTAL COST, (2)PLACEMENT - "Wage Deductions," and (3)DISTRIBUTION OF ENTERPRISE EXPENDITURES - "J & H Greenhouse & Nursery."
3. Do not forget to write a DETAILED DESCRIPTION.

You're getting better! Get the next entry.

Date	Description
8/31/88	**Gas expense to work for August, $40**

1. Do this one by yourself. Feel free to look back at an entry you already did if you need help.

OK! Go back to the sample entries.

Date	**Description**
8/31/88	**Received 20 bales of straw from Dad; Total value. $30; Exchange of labor (9 hrs.)**

1. Look at row 5 as an example as you complete this one.
2. Do you remember that this one was both a receipt and an expenditure?

Have you noticed you are almost doing these on your own now? That is all for the month, so total August.

1. Do not forget the dividing line.
2. Remember to add only August (rows 14-20).

Fine job! Go to the next sample entry.

Date	**Description**
9/07/88	**Purchased 1,667 lbs. of feed form B & K Feeds for $200; Check #21**

1. Treat this one as you did on row 8.
2. This is the only entry for September, so total the month.

See! You can do it! Now finish the year by yourself. Only a few clues will be provided. You will start a new page for Oct. - Dec.

Date	**Description**
10/07/88	**Purchased 1,833 lbs. of feed from B & K Feeds for $220; Check #22**

(Clue: Look at row 8. This is all for October, so total the month.)

Date	Description
11/07/88	**Purchased 2,500 lbs. of feed from B & K Feeds for $300; Check #23** (Clue: row 8)
11/10/88	**Paid West Trucking Company $47 to haul 47 feeder pigs; Check #24** (Clue: row 1)
11/30/88	**Received 15 bales of straw from Dad; Total value- $23; Exchange of labor (7 hrs.)** (Clue: row 5) (Total November.)
12/07/88	**Purchased 2,333 lbs. of feed from B & K Feeds for $280; Check #25** (Clue: row 8)
12/31/88	**Use of facilities and cost of utilities from Dad; Total value - $200 ($25 per sow/year for 8 head); Exchange of labor (60 hrs.)** (Clue: record this under OWNERSHIP - Machinery & Equipment column 22) (Total December.)

You have finished the year! Pat yourself on the back.

EXPENDITURES

LESSON TEST

Directions: Circle the letter of the answer that best completes the sentences or answers the questions below.

1. The three main categories for expenditures are

   a. professional, placement and personal.
   b. ownership, placement and personal.
   c. ownership, professional and personal.
   d. none of the above.

2. What category is used to separate expenditures for different businesses?

   a. AMT.
   b. DATE
   c. DISTRIBUTION OF ENTERPRISE RECEIPTS
   d. PRINCIPAL PAID

3. When you work and receive a product that you use for your business, what do you write under CHK. NO.?

a. EL
b. #15
c. #27
d. No Sale

4. When you make a payment on a mortgage, the total cost is recorded and then split into what two kinds of information?

a. Ownership and Personal
b. Placement and Personal
c. Professional and Personal
d. Principal and Interest

5. It is important to keep track of the numbers on

a. checks you write and checks written to you.
b. only checks you write.
c. both a and b
d. none of the above

6. It is possible for an expenditure on clothes to be considered

a. an ownership expenditure.
b. a placement expenditure.
c. a personal expenditure.
d. all of the above

EXPENDITURES

PERFORMANCE CHECKLIST

Student ____________________ successfully performed the following tasks:

	YES	NO	COMMENTS
1. Defined Expenditures			
a. Ownership			
b. Placement			
c. Personal			
2. Gave examples of expenditures			
3. Chose the forms for Expenditures			
a. Form 3 Expenditures (pink)			
b. Form 4 Expenditures Cont. (pink)			
4. Entered expenditures in a record book			

Satisfactory - should move on ☐
Should repeat this unit ☐

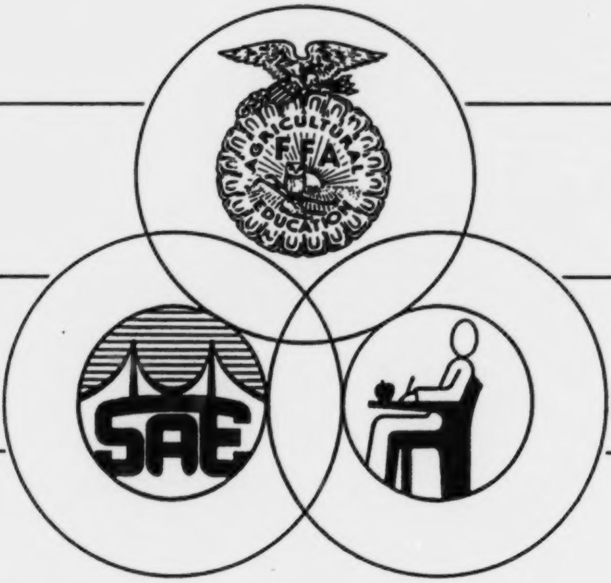
Student's Signature/Date

Instructor's Signature/Date

Supplementary Units 90-1000-S

Agricultural Record Keeping

Cash Flow


AGRICULTURAL EDUCATION
FFA
SAE

MISSOURI AGRICULTURAL EDUCATION

Instructional Materials Laboratory, University of Missouri-Columbia, Columbia, Missouri

CASH FLOW

INTRODUCTION

If an agribusiness project is to be successful, the person in charge must: (1) Keep accurate records of money coming in and going out. (2) Study the relationship between receipts and expenditures in order to plan for the future and control profits and losses. The manager uses the information from correct records to make business transactions and pay the correct amount of taxes.

OBJECTIVE

After you complete this lesson, you should be able to use the receipts and expenditures forms to fill out the cash flow forms accurately.

STUDY QUESTIONS

After you complete this lesson, you should be able to answer the following questions:

1. What are the differences between receipts and expenditures?
2. What is cash flow?

3. What is the purpose of cash flow?
4. How do you enter receipts and expenditures on a cash flow form?
5. How do you subtract expenditures from receipts?
6. How do you carry over the previous month's balance?
7. How do you calculate the current balance?

Put a check beside the statement that is true for you.

☐ **I can do these tasks and want to go through the Performance Checklist.**

SEE YOUR INSTRUCTOR

☐ **I want to study the information in this unit before I do the Performance Checklist.**

TURN PAGE AND BEGIN

A. TERMS

1. **Balance** - the amount of money left over after expenses are paid.
2. **Difference** - the answer you get when you subtract one number from another. An example is: subtracting expenditures from receipts.
3. **Line** - another word for a "row."
4. **Transfer** - copy the totals or subtotals from one place on a record form to another place.

B. THE DIFFERENCES BETWEEN RECEIPTS AND EXPENDITURES

In Lessons 1 and 2, you learned that:

(1) A **receipt** is an amount of money (or item(s) worth an amount of money) that comes in (income) to the business.

(2) An **expenditure** is an amount of money (or item(s) worth an amount of money) that goes out (outgo) of the business.

To tell a receipt from an expenditure, you must look for "clue words" such as these:

Receipts

- Sold
- Received
- Loan
- Borrowed
- Earned
- Refund
- Given to you
- Interest received
- Received the use of
- Wages earned
- Received for exchange of labor

Expenditures

- Purchased
- Buy
- Cost
- Paid for use of
- Expense
- Deductions
- Spent
- Bought
- Outgo
- Principal
- Paid
- Worked for use of
- Interest paid

DO SKILL SHEET 1

CASH FLOW

SKILL SHEET 1

Directions: Read the following sentences. For each sentence, decide if the money is going out (expenditure) or coming in (receipt). In the blank, write R for receipts, E for expenditures, and R-E for both.

____ 1. The student bought a new FFA jacket.

____ 2. Mary spent $200 for bedding plants to resell.

____ 3. On Friday, Frank got his loan from Citizen's Bank.

____ 4. Donald's grandparents gave him a car.

____ 5. Nellie's dental bill was a big expense.

____ 6. Pat sold the tomatoes to the grocery store.

____ 7. The money was borrowed to buy food for the show dogs.

____ 8. Terry paid both the principal and the interest.

____ 9. She received utilities and the use of the barn in exchange for 20 hours of labor for her dad.

____ 10. Melvin made $8 interest on his savings account.

____ 11. Deductions from the paycheck amounted to almost a third of the total.

____ 12. The cost of the repair bill for the lawn mower was $35.

____ 13. Calvin earned $100 in wages working for the daily paper.

____ 14. The COOP feed store gave us a refund because it pays yearly dividends.

____ 15. By cleaning her father's barn, Patricia paid for the use of his truck to haul her chickens.

C. CASH FLOW

"Cash flow" is a measure of the movement of money coming in and going out of a project or business. To keep track of cash flow, you keep a record.

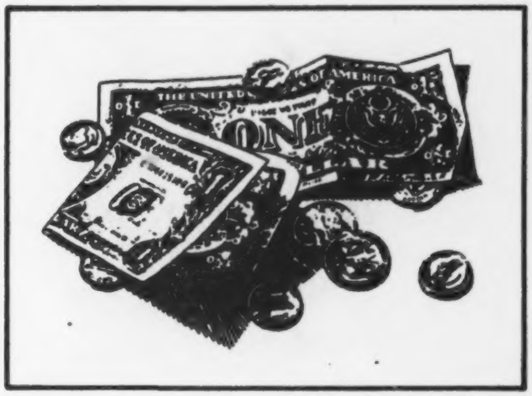
Agribusiness managers need the cash flow record to see how the amount of money coming in compares to the amount going out. They use the cash flow information (along with other information):

1. To determine how the business stands financially
2. To plan for the future by spotting times of the year when
    a. Receipts might be larger than expenditures or
    b. Expenditures might be larger than receipts, and
3. To make decisions about how to operate the business

Imagine how hard it would be to keep track of a whole year's expenses and receipts without the record book. You would be digging through piles of faded check stubs and receipts, hoping you saved them all and trying to separate the receipts from the expenditures. You would be doing the math on a piece of "scratch" paper and losing your place every time the phone rang or someone knocked at the door.

Making sense of the mess would be nearly impossible. You would never be able to show someone else how profitable the business is. Yet, when you take a little time to record the cash flowing in and out of the business, you can see at a glance how the business is doing.

1. You need money to start a business. This money is your "beginning cash balance." The money can come from savings or you may get a loan.



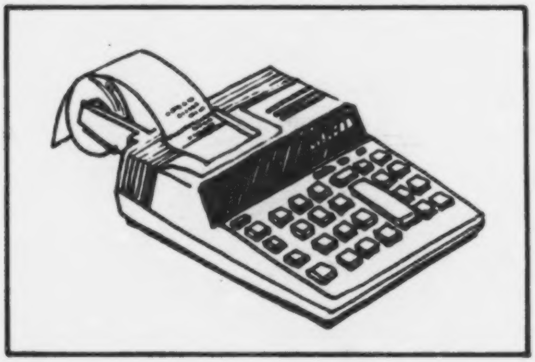
2. Each month, you total your expenditures and receipts.

3. Then you subtract your total expenditures from your total receipts.

4. If you get a positive (greater than zero) number, you made money. You add that amount to the beginning cash balance (the money with which you started).

5. If you get a negative number (less than zero), you spent more money than you brought in. You subtract that amount from the beginning cash balance.

6. The difference of the receipts and expenditures is added to or subtracted from the "beginning cash balance." That total becomes the "ending cash balance" for the month. It is also the beginning cash balance for the next month.



DO SKILL SHEETS 2 AND 3

CASH FLOW

SKILL SHEET 2

Directions: Circle the letter of the answer that best completes the sentences or answers the questions below.

1. Cash flow equals
   a. money going out.
   b. money coming in.
   c. difference between receipts and expenditures.
   d. none of the above.

2. It is important to keep a cash flow record in order to
   a. determine how business is doing.
   b. plan for times of high expenses.
   c. make decisions about the business' future.
   d. all of the above.

3. The "beginning balance" is

   a. The amount of cash you spend in one month.

   b. The amount of cash you had when you began the project.

   c. The amount of cash you plan to make.

   d. The total of all your receipts.

4. If your second month's beginning balance is less than the first's, you have

   a. failed.

   b. spent too much.

   c. spent more than you took in.

   d. done the math wrong.

5. Keeping track of cash flow is

   a. more trouble than it's worth.

   b. a method of keeping your accounts in order.

   c. worth the time it takes.

   d. b & c

CASH FLOW

SKILL SHEET 3

Directions: Work the following problem and record your answer in the spaces below.

PROBLEM: Cheryl had $500 in her savings account. In January, she started a registered dog business. On January 5, she bought two female dogs for $150 each and dog food for $30. On January 15, she paid $70 in stud fees to breed the dogs. These were her expenses for January.

Cash balance beginning of January __________

Expenditures	Receipts
______ Total expenditures	______Total receipts

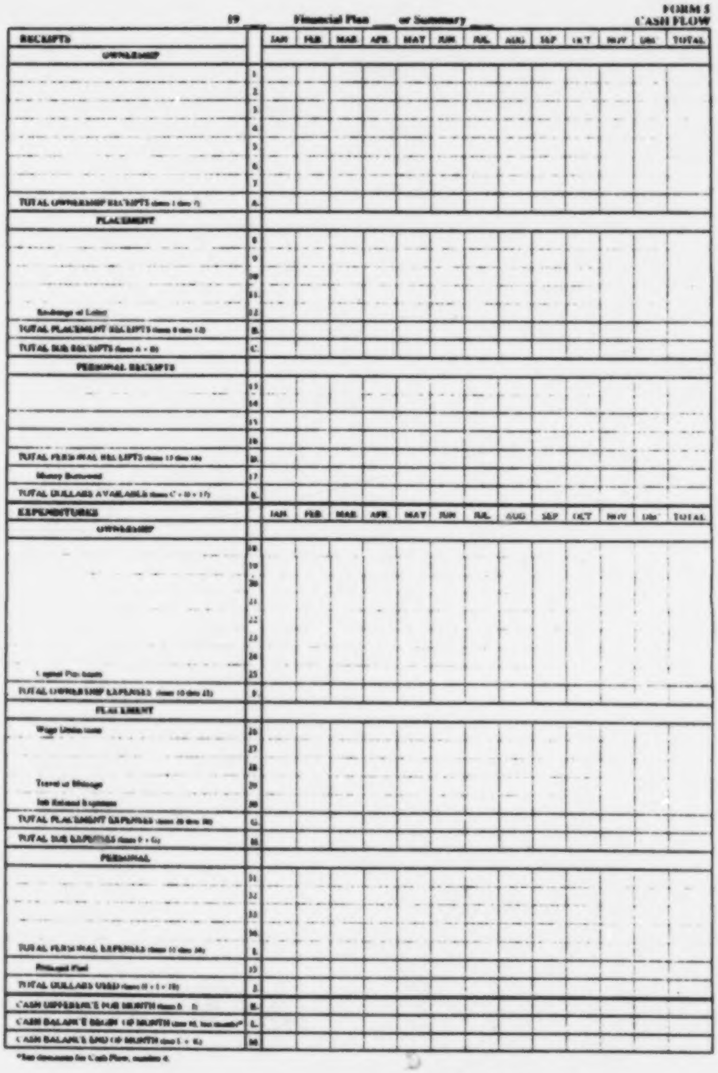
Expenditures (______) minus Receipts (______) equals (______)

Cash balance end of January ______________

Cash balance beginning of February _____________

D. ENTERING RECEIPTS AND EXPENDITURES ON THE CASH FLOW FORM

Look at the gray FORM 5 - CASH FLOW sheet shown below. Sometimes part of the form is on the back of the page. Note that the form is divided into two roughly equal parts. The top part is for receipts and the bottom is for expenditures.



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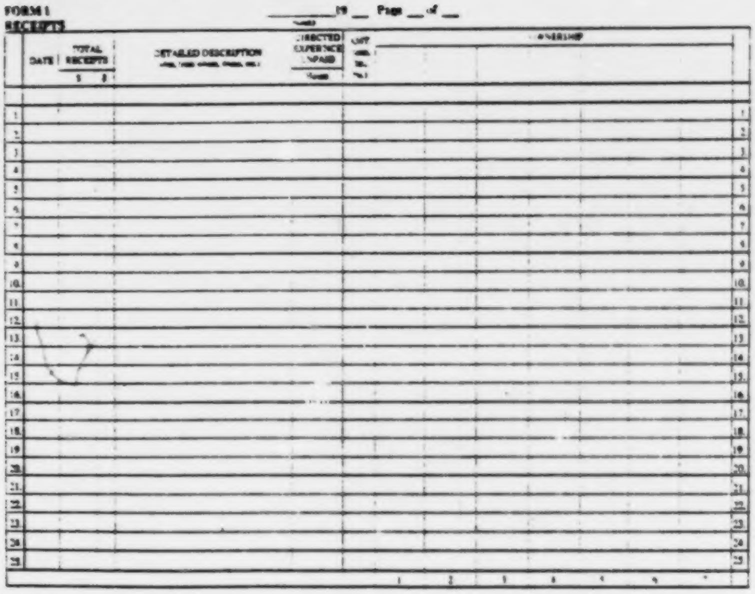
RECEIPTS FORMS (Lesson 1)

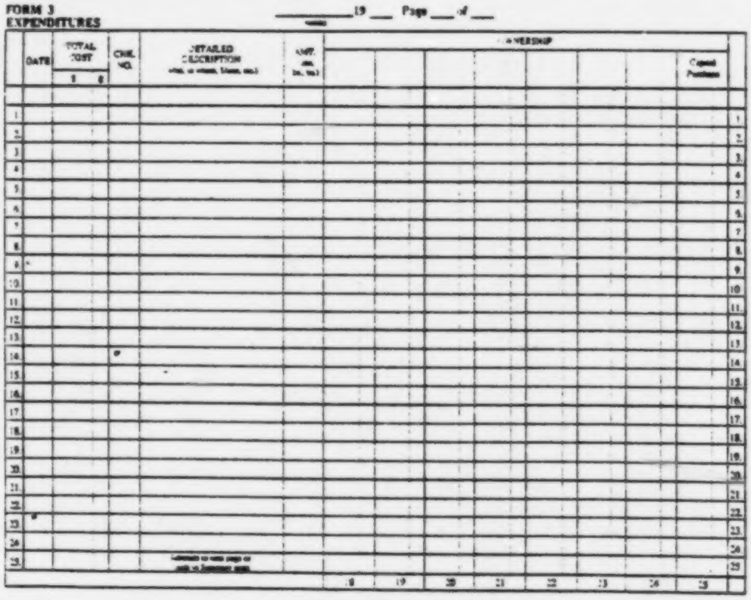


FORM 1
RECEIPTS

__________ 19 __ Page __ of __

DATE
TOTAL RECEIPTS
$ ¢
DETAILED DESCRIPTION
DIRECTED EXPERIENCE UNPAID
OWNERSHIP

EXPENDITURES FORMS (Lesson 2)



FORM 3
EXPENDITURES

__________ 19 __ Page __ of __

DATE
TOTAL COST
$ ¢
CHK. NO.
DETAILED DESCRIPTION
OWNERSHIP
Capital Purchases

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You will copy the information that goes on the CASH FLOW form from the green RECEIPTS and pink EXPENDITURES forms you used in Lessons 1 and 2. As in those forms, the receipts and expenditures sections of the CASH FLOW form are each divided into three categories: (1) **ownership**, (2) **placement** and (3) **personal**.

Most of the rows are numbered from top to bottom. The lettered rows are for column totals. The columns are marked with headings, most of which are months. Final cash flow calculations are placed in rows "K," "L" and "M" at the bottom.

DO SKILL SHEET 4

DO ACTIVITY SHEETS 1 AND 2

CASH FLOW

SKILL SHEET 4

Directions: Using FORM 5 - CASH FLOW, answer the questions below.

1. There are two dark main headings. One is labeled RECEIPTS and the other is labeled EXPENDITURES. What else is written on those lines?

2. The second line has a subheading. Look for two other subheadings written with the same size letters. What are the three subheadings under RECEIPTS?

3. Under the RECEIPTS heading, how many lines start with the word "Total" and have directions on what lines (rows) to total? (Count all the way down to the EXPENDITURES heading.)

4. Most of the lines (or rows) are numbered or lettered. On each TOTAL line, there are directions telling which lines to add together. Which lines are added for TOTAL OWNERSHIP RECEIPTS?

5. Which lines are added for TOTAL SUPERVISED AGRICULTURAL EXPERIENCE (SAE) RECEIPTS? (You may have an old form that calls this a SUPERVISED OCCUPATIONAL EXPERIENCE (SOE). The term has been changed.

6. There are two lines under RECEIPTS that we have not mentioned yet. How are they labeled?

7. What are the three main subheadings under EXPENDITURES? If you are using the short sheet, EXPENDITURES start on the front of the page and continue on the back.

8. How many lines under EXPENDITURES start with the word "Total"?

9. Line 25 has "Capital Purchases" written on it. These words were copied from the pink EXPENDITURES FORM 3. Which other lines on the gray FORM 5 - CASH FLOW were copied from the EXPENDITURES form? (Clue: they will be written with the same size letters.)

10. The last three lines are separated from the rest by a dark line. What is the first word in each of the three lines?

11. There are directions for each of the last three lines. The first one says to subtract what line from line E?

12. Line E is all the month's receipts. What is it called on this form?

13. Line J is all the month's expenditures. What is it called on this form?

14. Which lines do you add to find the end of the month's balance?

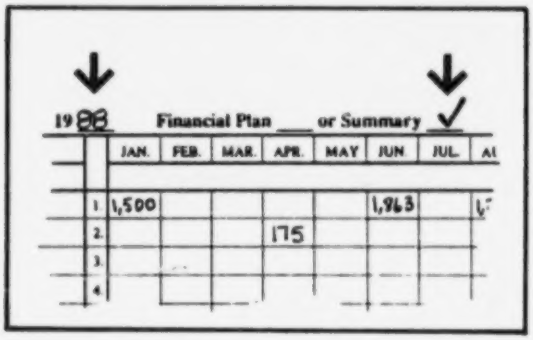
15. The very first CASH BALANCE BEGIN. OF MONTH will be the amount of money you had to start the business. Where will you get the next month's beginning balance?

CASH FLOW

ACTIVITY SHEET 1

Directions: Using the forms you've already filled out (green RECEIPTS FORMS 1 & 2) fill out the gray FORM 5 - CASH FLOW sheet. Follow the step-by-step instructions below.

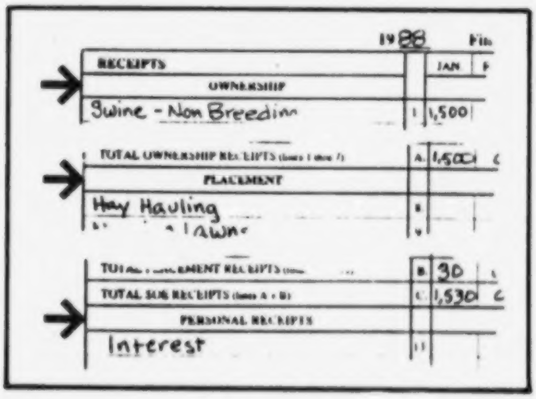
1. At the top of the page, write "1988" and put a check beside "summary" because you are summarizing what was done the previous year.



19 88 Financial Plan ___ or Summary ✓

	JAN.	FEB.	MAR.	APR.	MAY	JUN	JUL.
1	1,500					1,963	
2.				175			
3.							
4							

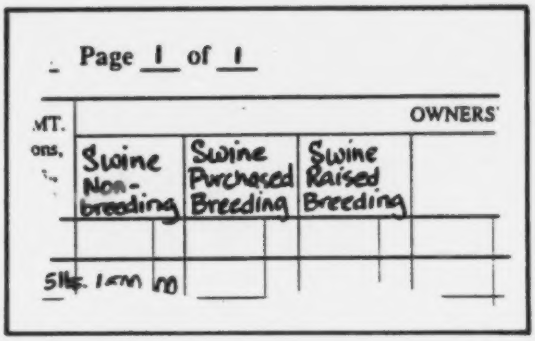
2. In the upper left corner, where it says "RECEIPTS," there are subheadings labeled OWNERSHIP, PLACEMENT and PERSONAL.



19 88

RECEIPTS		JAN
OWNERSHIP		
Swine - Non Breedin	1	1,500
TOTAL OWNERSHIP RECEIPTS (lines 1 thru 7)	A.	1,500
PLACEMENT		
Hay Hauling	8	
lawns	9	
TOTAL PLACEMENT RECEIPTS	B.	30
TOTAL SOE RECEIPTS (lines A + B)	C.	1,530
PERSONAL RECEIPTS		
Interest	11	

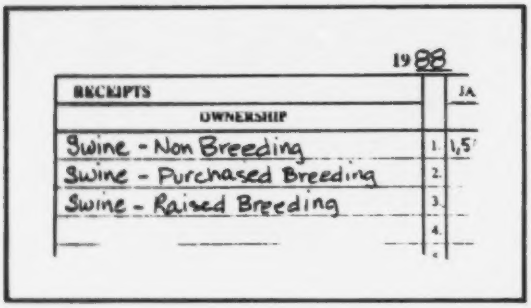
3. At the top of the green form are three boxes you filled in under the category OWNERSHIP: Swine Non-Breeding, Swine Purchased Breeding, and Swine Raised Breeding.



Page 1 of 1

MT. ons.	OWNERS'			
	Swine Non-breeding	Swine Purchased Breeding	Swine Raised Breeding	
5lbs.	[illegible]			

4. Copy the labels in the three boxes from columns 1, 2, and 3 onto lines 1, 2, and 3 under OWNERSHIP on the gray CASH FLOW FORM.

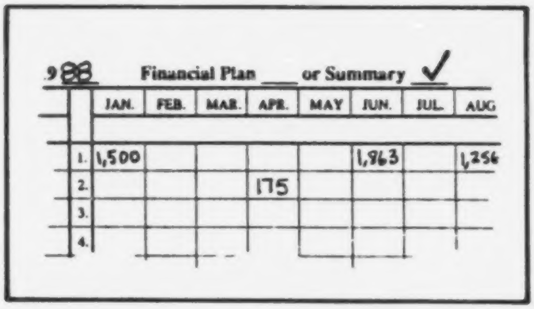


1988

RECEIPTS		JA
OWNERSHIP		
Swine - Non Breeding	1.	1,5
Swine - Purchased Breeding	2.	
Swine - Raised Breeding	3.	
	4.	

NOTE: The column numbers match the line numbers on the two forms.

5. Copy the ownership totals for each of the months from the green form to the gray form. Some months will be blank.

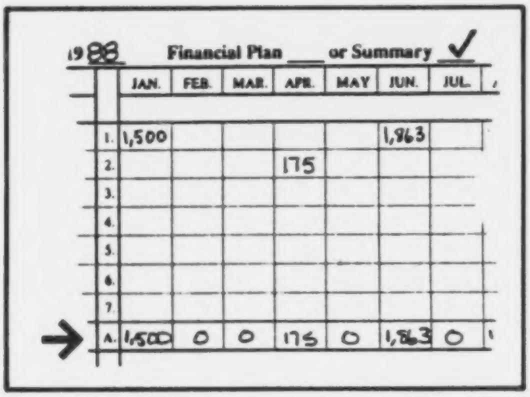


988 Financial Plan ___ or Summary ✓

	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG
1.	1,500					1,963		1,256
2.				175				
3.								
4.								

NOTE: Don't do the total for the year, in the last column, until later.

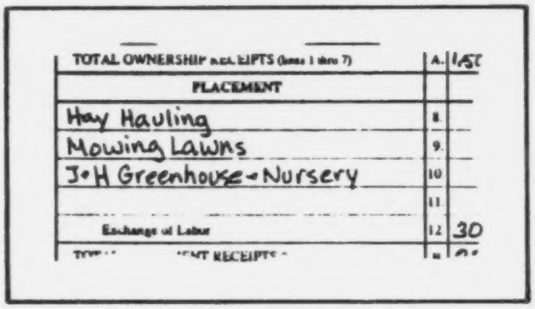
6. On lines 1 through 7, total each monthly column for OWNERSHIP. Put the answers on line A. (On a real project, you will record these totals each month instead of doing them all at once.)



1988 Financial Plan ___ or Summary ✓

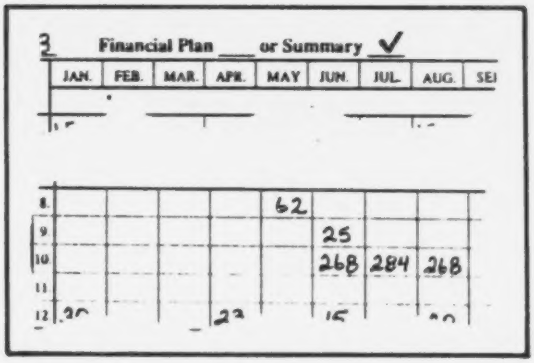
	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.
1.	1,500					1,863	
2.				175			
3.							
4.							
5.							
6.							
7.							
A.	1,500	0	0	175	0	1,863	0

7. Transfer the column labels in the first three PLACEMENT columns (8, 9 and 10) on the RECEIPTS form to lines 8, 9 and 10 on the CASH FLOW sheet.



TOTAL OWNERSHIP RECEIPTS (lines 1 thru 7)	A.	
PLACEMENT		
Hay Hauling	8.	
Mowing Lawns	9.	
J•H Greenhouse - Nursery	10	
	11.	
Exchange of Labor	12	30

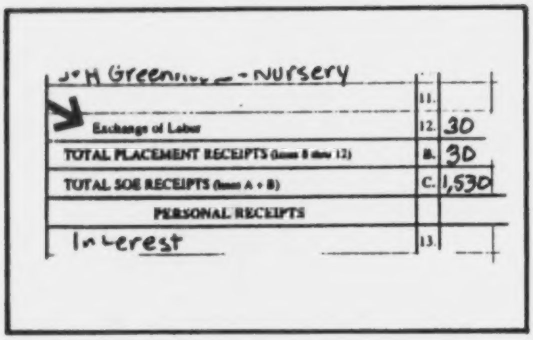
8. Write the monthly placement totals from the RECEIPTS forms on the CASH FLOW form on lines 8 through 10. Line 11 will be blank.



Financial Plan ___ or Summary ✓

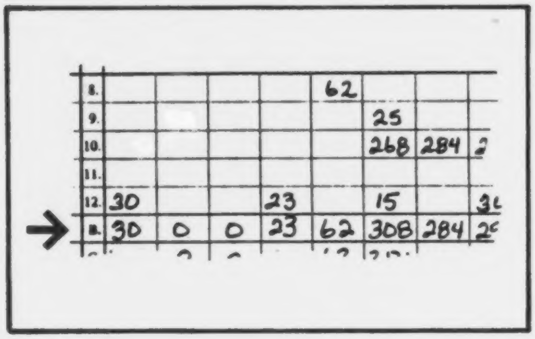
	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.
8.					62			
9.						25		
10.						268	284	268
11.								

9. Use the information from the green receipts form to fill in the monthly totals for Exchange of Labor (line 12).



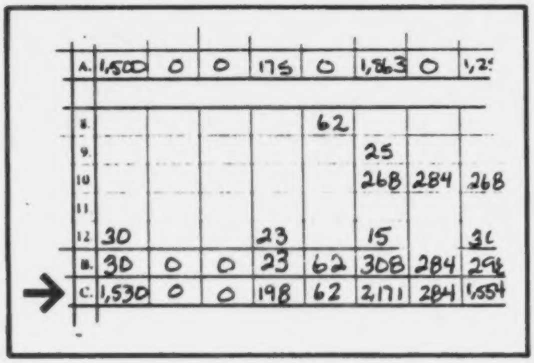
J H Green[illegible] - Nursery		
	11.	
Exchange of Labor	12.	30
TOTAL PLACEMENT RECEIPTS (lines 8 thru 12)	B.	30
TOTAL SOE RECEIPTS (lines A + B)	C.	1,530
PERSONAL RECEIPTS		
Interest	13.	

10. Total the Placement receipts (lines 8 through 12), and write each month's sum on line B across the page.



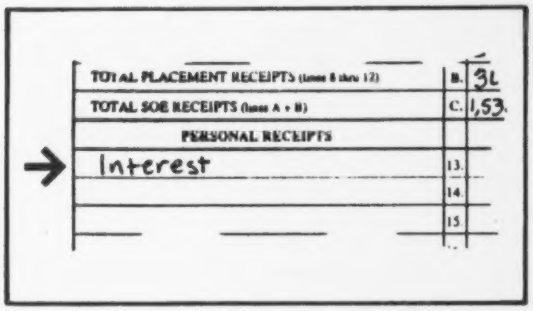
8.					62			
9.						25		
10.						268	284	2
11.								
12.	30			23		15		3
B.	30	0	0	23	62	308	284	2

11. Add the totals in lines A and B to get the total Supervised Agricultural Experience (SAE) receipts (placement and ownership only). Write the sums for each month on line C.



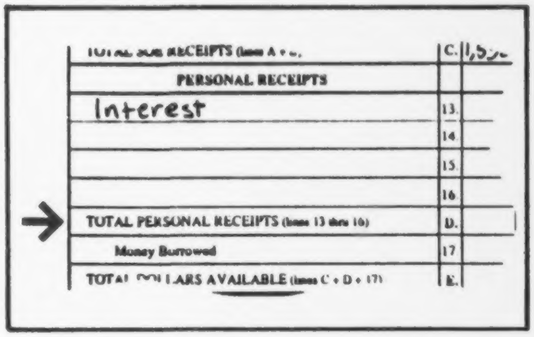
A.	1,500	0	0	175	0	1,863	0	1,2
8.					62			
9.						25		
10						268	284	268
11								
12	30			23		15		3
B.	30	0	0	23	62	308	284	29
C.	1,530	0	0	198	62	2,171	284	1,554

12. Move the amount under Personal Receipts column 13 on the green RECEIPTS form to line 13 on the gray CASH FLOW form. Lines 14 through 16 will be blank because there are no more receipts.



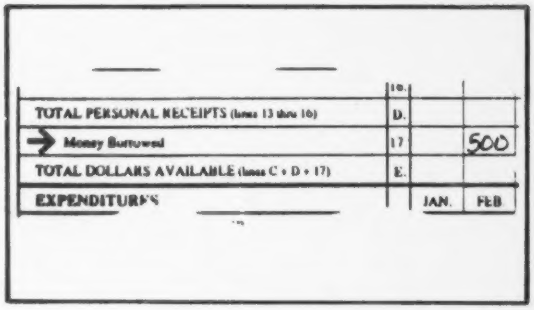
TOTAL PLACEMENT RECEIPTS (lines 8 thru 12)	B.	31
TOTAL SOE RECEIPTS (lines A + B)	C.	1,53
PERSONAL RECEIPTS		
Interest	13.	
	14.	
	15.	

13. Add lines 13 through 16 to get the total for personal receipts. Write the sum for each month on line D.



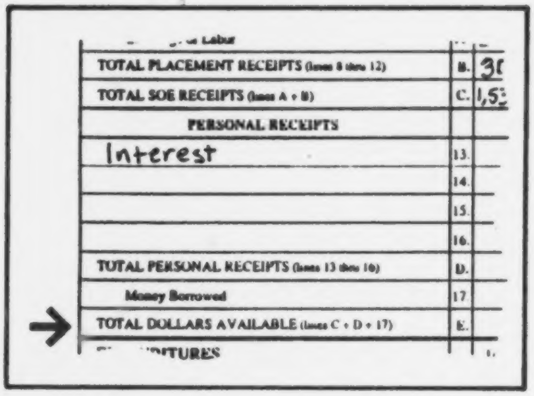
TOTAL SOE RECEIPTS (lines A + B)	C.	1,5
PERSONAL RECEIPTS		
Interest	13.	
	14.	
	15.	
	16.	
TOTAL PERSONAL RECEIPTS (lines 13 thru 16)	D.	
Money Borrowed	17	
TOTAL DOLLARS AVAILABLE (lines C + D + 17)	E.	

14. Put the money borrowed on line 17.



	16.		
TOTAL PERSONAL RECEIPTS (lines 13 thru 16)	D.		
Money Borrowed	17		500
TOTAL DOLLARS AVAILABLE (lines C + D + 17)	E.		
EXPENDITURES		JAN.	FEB.

15. For each month, add lines C (ownership + placement), D (personal) and 17 (money borrowed) to find the TOTAL DOLLARS AVAILABLE.



TOTAL PLACEMENT RECEIPTS (lines 8 thru 12)	B.	3
TOTAL SOE RECEIPTS (lines A + B)	C.	1,5
PERSONAL RECEIPTS		
Interest	13.	
	14.	
	15.	
	16.	
TOTAL PERSONAL RECEIPTS (lines 13 thru 16)	D.	
Money Borrowed	17.	
→ TOTAL DOLLARS AVAILABLE (lines C + D + 17)	E.	

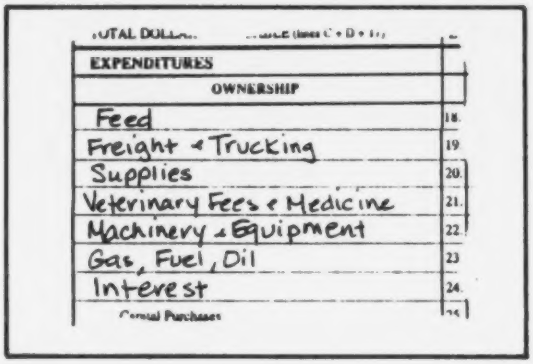
Good! Now you have finished the receipts.

CASH FLOW

ACTIVITY SHEET 2

Directions: Get the pink EXPENDITURES FORMS 3 & 4 you filled out in Lesson 2 and the gray FORM 5 - CASH FLOW form. Follow the step-by-step instructions below.

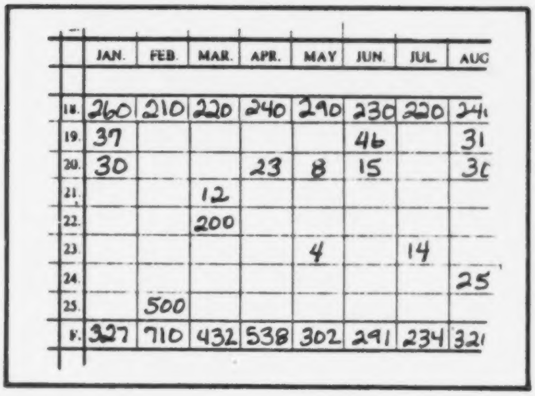
1. Copy the words from columns 18 through 24 on the EXPENDITURES form to lines 18 through 24 on the CASH FLOW form.



TOTAL DOLL... (lines C + D + I)

EXPENDITURES	
OWNERSHIP	
Feed	18.
Freight & Trucking	19
Supplies	20.
Veterinary Fees & Medicine	21.
Machinery & Equipment	22.
Gas, Fuel, Oil	23
Interest	24.
Capital Purchases	25

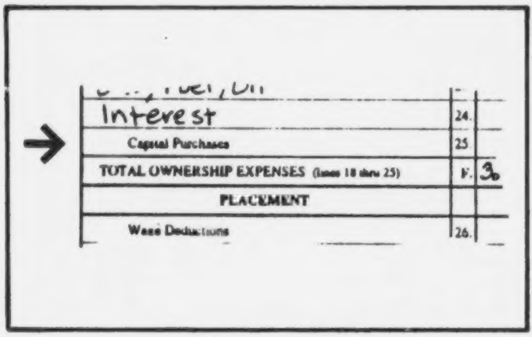
2. Put the totals for each month on the EXPENDITURES forms under the months on the CASH FLOW forms.



	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG
18.	260	210	220	240	290	230	220	24
19.	37					46		31
20.	30			23	8	15		3
21.			12					
22.			200					
23.					4		14	
24.								25
25.		500						
F.	327	710	432	538	302	291	234	32

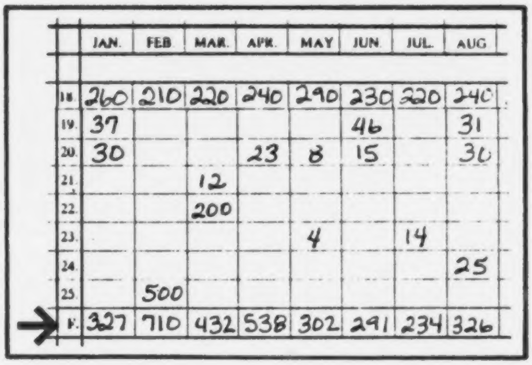
NOTE: You may have a short CASH FLOW form that is continued on the back side of the page. If so, you may want to write the months at the top of each column on the back side to help you keep the answers in the right columns.

3. Copy the Capital Purchases from column 25 (EXPENDITURES) to line 25 on the CASH FLOW form.



Interest	24.	
Capital Purchases	25.	
TOTAL OWNERSHIP EXPENSES (lines 18 thru 25)	F.	3
PLACEMENT		
Wage Deductions	26.	

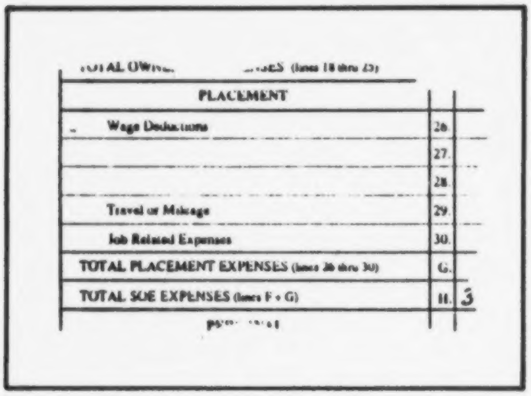
4. Add lines 18 through 25 for each month. Write each month's total on line F.



	JAN.	FEB	MAR.	APR.	MAY	JUN.	JUL.	AUG
18.	260	210	220	240	290	230	220	240
19.	37					46		31
20.	30			23	8	15		30
21.			12					
22.			200					
23.					4		14	
24.								25
25.		500						
F.	327	710	432	538	302	291	234	326

NOTE: Do not forget to flip back to the previous page each month if you are using a short page that is continued on the back.

5. The PLACEMENT subcategories are already written on the CASH FLOW form. You did not need to write any others this year.

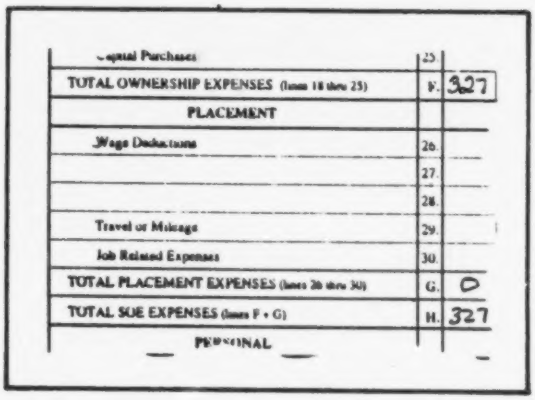


TOTAL OWN[illegible]SES (lines 18 thru 25)		
PLACEMENT		
Wage Deductions	26.	
	27.	
	28.	
Travel or Mileage	29.	
Job Related Expenses	30.	
TOTAL PLACEMENT EXPENSES (lines 26 thru 30)	G.	
TOTAL SOE EXPENSES (lines F + G)	H.	3
[illegible]		

Transfer the totals from the months on the EXPENDITURES sheet to the CASH FLOW sheet.

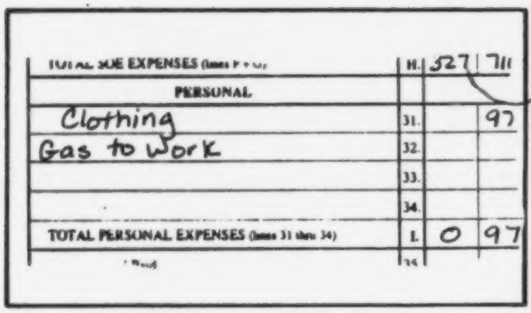
NOTE: The numbers for columns on the pink sheet match the numbers for lines on the gray sheet (26-30).

6. To find the TOTAL Supervised Agricultural Experience (SAE) EXPENSES, add lines F and G (total placement + total ownership) for each month.



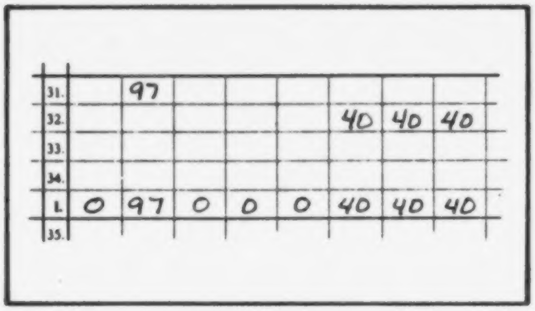
Capital Purchases	25.	
TOTAL OWNERSHIP EXPENSES (lines 18 thru 25)	F.	327
PLACEMENT		
Wage Deductions	26.	
	27.	
	28.	
Travel or Mileage	29.	
Job Related Expenses	30.	
TOTAL PLACEMENT EXPENSES (lines 26 thru 30)	G.	0
TOTAL SOE EXPENSES (lines F + G)	H.	327
PERSONAL		

7. Copy the headings you wrote on the pink forms under PERSONAL EXPENDITURES to the gray form (columns and lines 31 and 32).



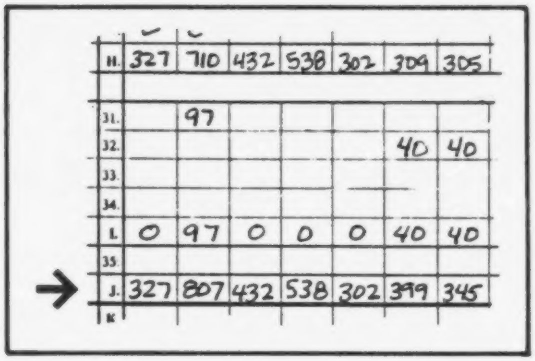
TOTAL SOE EXPENSES (lines F + G)	H.	527	711
PERSONAL			
Clothing	31.		97
Gas to Work	32.		
	33.		
	34.		
TOTAL PERSONAL EXPENSES (lines 31 thru 34)	I.	0	97
Paid	35.		

8. Add lines 31 - 34 for each month to find the month's TOTAL PERSONAL EXPENSES. Put the sum on line I.



31.		97						
32.						40	40	40
33.								
34.								
I.	0	97	0	0	0	40	40	40
35.								

9. To find the TOTAL DOLLARS USED (total expenditures), add lines H (ownership + placement), I (personal) and 35 (principal paid). Total each month.



H.	327	710	432	538	302	309	305
31.		97					
32.						40	40
33.							
34.							
I.	0	97	0	0	0	40	40
35.							
→ J.	327	807	432	538	302	399	345
K							

There! You finished the expenditures.

E. HOW TO SUBTRACT EXPENDITURES FROM RECEIPTS

If you have a calculator to use, enter each expenditure as a negative number, using the minus sign key (-). Enter each receipt as a positive number, using the plus (+) sign key.

An answer that has a minus sign beside it (-) means your answer is negative. A negative answer means more money went out of the business than came in. In other words, you spent more than you took in that month. A positive number (a number with no sign beside it) means you made more that month than you spent.

Sometimes, in order to grow a crop or raise an animal, you have to spend more money than you receive for several months. Later, in the month you sell the crop or animal, you receive more than you spent.

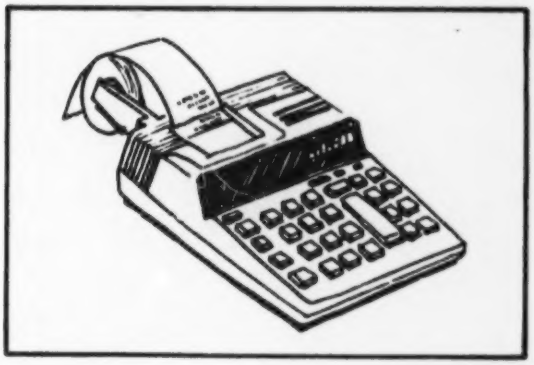
Example: In February, a business earns $35 and spends $45.

Enter +35 and -45 =
Answer is: -10

The business spent $10 more than it earned.

Example: You bought pigs for $550 and feed for $65. You also worked for someone else and made $110. How do you work the problem?

1. If you have a calculator, add - 550 and - 65. Your answer should be - 615, which means you spent $615.



2. Add - 615 and + 110 (the amount you earned). Your answer should be - 505, which means you spent $505 dollars more than you earned.

3. If you do not have a calculator, you still add - 550 and - 65. Your answer should be - 615.

$$\begin{array}{r} -550 \\ -65 \\ \hline -615 \end{array}$$

NOTE: When adding numbers that are all positive, the answer is positive.

POSITIVE POSITIVE POSITIVE

+ + + = +

When adding numbers that are all negative the answer is negative.

NEGATIVE NEGATIVE NEGATIVE

— + — = —

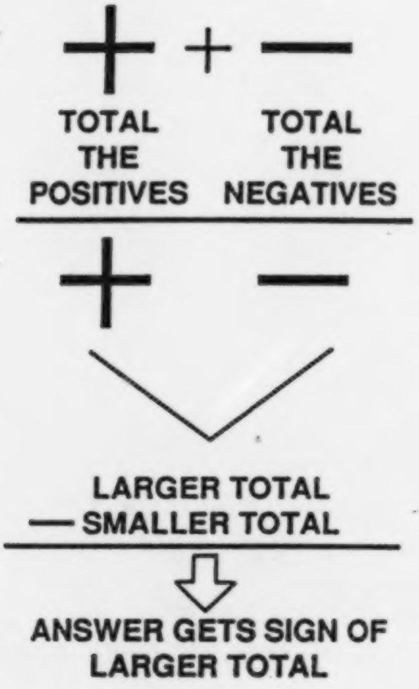
When adding positive and negative numbers:

a. Total the positive numbers.

b. Total the negative numbers.

c. Subtract the smaller total from the larger total.

d. Put the sign of the larger number in front of your answer.


+ + —
TOTAL THE POSITIVES
TOTAL THE NEGATIVES
+
—
LARGER TOTAL
— SMALLER TOTAL
ANSWER GETS SIGN OF LARGER TOTAL

Example 1: You bought gas for $15 and rabbit food for $25.

Add: -15
   + -25
    -40

You had an expenditure of $40.

Example 2: You worked and made $20 Friday and $50 Saturday.

Add: + 20
   + + 50
    70

You had a receipt of $70.

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Example 3: Using the numbers in examples 1 and 2, find the difference between your receipts and expenditures.

$$\begin{array}{lrr} \text{Add:} & & -\,30 \\ & + & \underline{+70} \\ & & 40 \end{array}$$

You took in $40 more than you spent.

DO SKILL SHEET 5

DO ACTIVITY SHEET 3

CASH FLOW

SKILL SHEET 5

Directions: Find the answer to the following problems.

1. Jack made $225 mowing yards. He spent $500 for his mower. How much more did he spend than he received this month?

2. Chuck's grandpa gave him $400. He then bought a cow for $650. How much more was his expenditure than his receipt?

3. Frances paid $35 for medicine and $65 for dog food. She sold one show dog for $500. What was the difference between receipts and expenditures?

4. Terri sold a goat for $150 and a sheep for $125. She spent $1,000 for a horse. How much more did she spend than she took in?

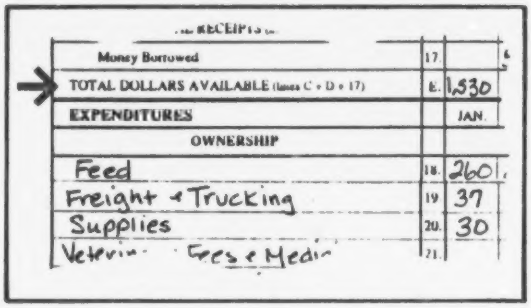
5. Sean made $45 hauling hay, $35 cleaning the barn, and $15 for mowing the yard. He bought some pigs for $350, and paid $35 to have them hauled home. What was the difference between receipts and expenditures?

CASH FLOW

ACTIVITY SHEET 3

Directions: Get the gray FORM 5 - CASH FLOW form and follow the step-by-step directions below.

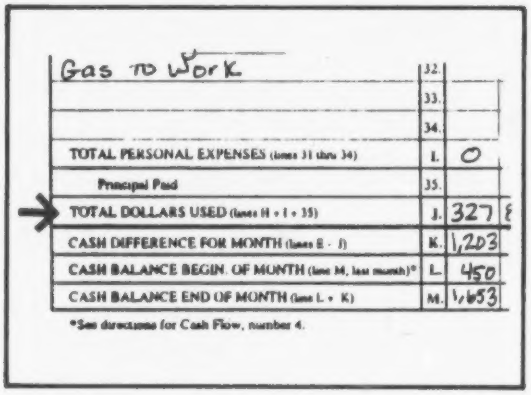
1. The total receipts for January is called TOTAL DOLLARS AVAILABLE. Look for it on line E.



RECEIPTS

Money Borrowed	17.	
TOTAL DOLLARS AVAILABLE (lines C + D + 17)	E.	1,530
EXPENDITURES		JAN.
OWNERSHIP		
Feed	18.	260
Freight & Trucking	19.	37
Supplies	20.	30
Veterin Fees & Medi	21.	

2. The total expenditures for January is called TOTAL DOLLARS USED. Look on line J.



Gas to Work	32.	
	33.	
	34.	
TOTAL PERSONAL EXPENSES (lines 31 thru 34)	I.	0
Principal Paid	35.	
TOTAL DOLLARS USED (lines H + I + 35)	J.	327
CASH DIFFERENCE FOR MONTH (lines E - J)	K.	1,203
CASH BALANCE BEGIN. OF MONTH (line M, last month)*	L.	450
CASH BALANCE END OF MONTH (line L + K)	M.	1,653

*See directions for Cash Flow, number 4.

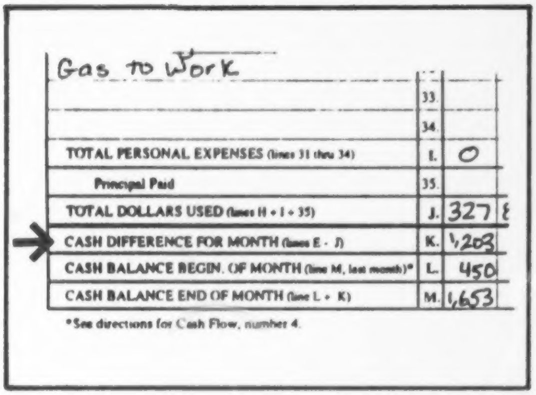
3. Add the two numbers. Remember: receipts are positive (+) and expenditures are negative (-). Put the sign of the larger number in front of your answer.

4. Record the answer on line K.

5. Follow the same procedure for each month, February through December:

   a. Find the difference between lines E and J.

   b. Record the answer on line K.



Gas to Work		
	33.	
	34.	
TOTAL PERSONAL EXPENSES (lines 31 thru 34)	I.	0
Principal Paid	35.	
TOTAL DOLLARS USED (lines H + I + 35)	J.	327
→ CASH DIFFERENCE FOR MONTH (lines E - J)	K.	1,203
CASH BALANCE BEGIN. OF MONTH (line M, last month)*	L.	450
CASH BALANCE END OF MONTH (line L + K)	M.	1,653

*See directions for Cash Flow, number 4.

F. HOW TO CARRY OVER THE PREVIOUS MONTH'S BALANCE

Jan	Feb
450	1653
1653	1346

There is an amount with which to start. This is your beginning balance.

The balance at the end of the month is the beginning balance of the next month.

End of January $1,653.

Begin. February $1,653

Here is how a year looks. The top number is the balance at the beginning of the month. The bottom number is the balance at the end of the month.

Jan	Feb	Mar	Apr	May	Jun
450	1653	1346	914	574	334
1653	1346	914	574	334	2106

Jul	Aug	Sep	Oct	Nov	Dec
2106	2045	3015	2815	2595	4152
2045	3015	2815	2595	4152	3878

Can you guess what the next year's beginning balance for January would be? The answer is $3,878. The ending balance is always the beginning balance for the next month, even if the next month is in another year.

DO ACTIVITY SHEET 4

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CASH FLOW

ACTIVITY SHEET 4

Directions: Get the gray FORM 5 - CASH FLOW sheet. Use both sides if you have the short sheet. You may have the long sheet that uses only one side. Follow the procedure below.

1. You started the business in January with $450. On line L (CASH BALANCE BEGIN. OF MONTH), under Jan., write $450.

2. Find the CASH BALANCE END OF MONTH by adding what you had at the beginning of the month (line L) and your profit or loss for the month (line K). Add line L to line K.

3. Record the answer on line M.

4. Your ending balance in January is the amount you start with in February. Copy line M from Jan. to line L for Feb.

5. Continue by adding lines L and K for February.

6. Write the answer on line M under February's column.

7. Copy the answer for February line M (End of month) to March line L (Begin. of month).

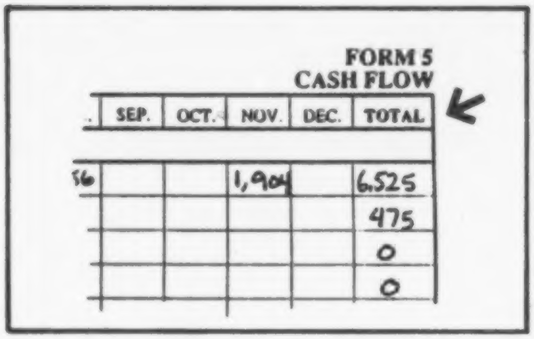
8. Continue this process for each month of the year. If the numbers are both positive, add them and get a positive answer.

Stop when you get to the last column, labeled total, because you will do it differently. Wow! You finished the year!

G. HOW TO CALCULATE THE "CURRENT" BALANCE

You can figure the current balance at the end of any month your project ends or at the end of the year.

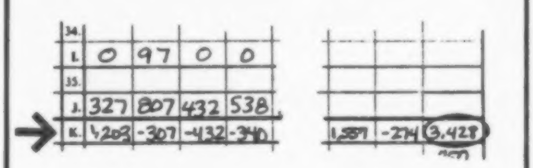
1. Use the last column, labeled "TOTAL" for figuring the current balance.



FORM 5
CASH FLOW

	SEP.	OCT.	NOV.	DEC.	TOTAL
56			1,904		6.525
					475
					0
					0

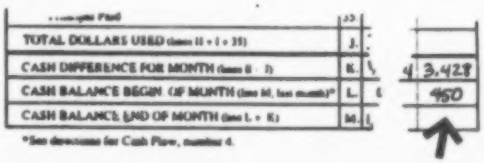
2. Add all the numbers in line K. There will be both positive and negative numbers.



34.				
I.	0	97	0	0
35.				
J.	327	807	432	538
K.	1,203	-307	-432	-340

1,587	-274	3,428

3. Record the amount of money you had to begin the project on line L (if you are figuring the whole project) or the number you had in January on line L (if you are figuring the year).

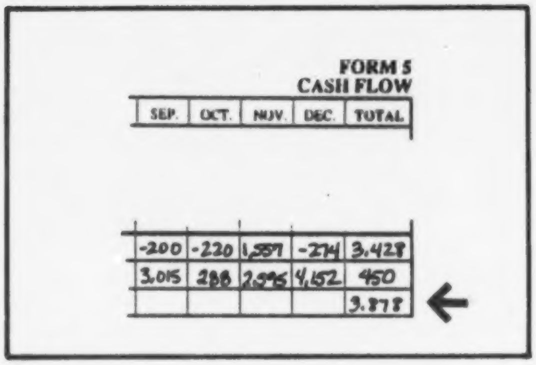


TOTAL DOLLARS USED	J.	
CASH DIFFERENCE FOR MONTH	K.	3,428
CASH BALANCE BEGIN OF MONTH	L.	450
CASH BALANCE END OF MONTH	M.	

*See directions for Cash Flow, number 4.

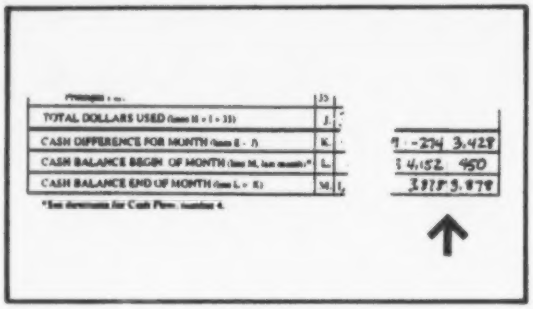
4. Add the Total for line K and what you started with (line L).

The answer should be the same as the last number you put on line M.



FORM 5
CASH FLOW

SEP.	OCT.	NOV.	DEC.	TOTAL
-200	-220	1,557	-274	3.428
3,015	288	2,595	4,152	450
				3.878



TOTAL DOLLARS USED (lines H + I + 33)	J.		
CASH DIFFERENCE FOR MONTH (line E - J)	K.	-274	3.428
CASH BALANCE BEGIN OF MONTH (line M, last month)*	L.	4,152	450
CASH BALANCE END OF MONTH (line L + K)	M.	3878	3.878

*See directions for Cash Flow, number 4.

DO ACTIVITY SHEET 5

CASH FLOW

ACTIVITY SHEET 5

Directions: Use the FORM 5 - CASH FLOW gray sheet. Follow the procedure below.

1. On line 1, add the year's total across beginning with Jan. and ending with Dec. Write the sum under the last column labeled "TOTAL."

2. Finish by adding all the lines through line K. Write each answer in the last column under TOTAL. The last two lines (L & M) are done differently.

3. Look at the Total for line K. It tells you how much money you made or lost (Receipts minus Expenditures).

4. You started with $450, so add that onto the year's total. Record the $450 on line L in the last column.

5. When you add the TOTAL line K and the amount with which you started, you should get the same number you had for December in the column just left of the TOTAL.

NOW YOU KNOW HOW TO DO CASH FLOW!

CASH FLOW

LESSON TEST

Directions: Look back at the lesson or at the Cash Flow form to answer the questions below. If your teacher wishes, you may answer the questions out loud.

1. What are the three main subheadings for both receipts and expenditures?

   ____

2. What two types of information are copied from the green receipts forms and the pink expenditure forms onto the gray cash flow form?

   ____

3. What form do you use to figure how much you made or lost each month?

   ____

4. How do you add a positive and a negative number?

____

5. How do you find the CASH DIFFERENCE FOR MONTH?

____

6. What do you add to the year's total CASH DIFFERENCE FOR MONTH to find the year's total CASH BALANCE END OF MONTH?

____

7. Why is it important to have a cash flow form?

____

8. When you start to enter records for January of a new year, where do you find the amount of cash balance with which to start?

____

CASH FLOW

PERFORMANCE CHECKLIST

Student ______________________ successfully performed the following tasks:

	YES	NO	COMMENTS
1. Explained the differences between receipts and expenditures.			
2. Explained cash flow.			
3. Explained the purpose of cash flow.			
4. Entered receipts and expenditures on a cash flow form.			
5. Subtracted receipts from expenditures.			
6. Carried over the previous month's balance properly.			
7. Calculated the current balance.			

Satisfactory - should move on ☐

Should repeat this unit ☐

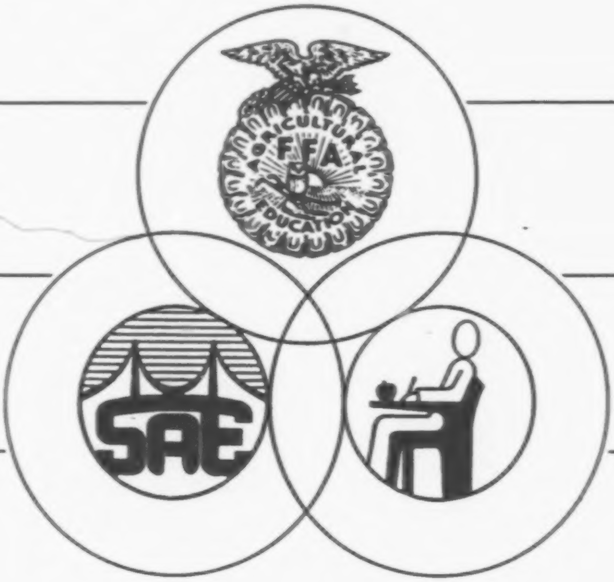
____
Student's Signature/Date

____
Instructor's Signature/Date

Supplementary Units 90-1000-S

Agricultural Record Keeping

Inventory


AGRICULTURAL EDUCATION
FFA
SAE

MISSOURI AGRICULTURAL EDUCATION

IMI

Instructional Materials Laboratory, University of Missouri-Columbia, Columbia, Missouri

INVENTORY

INTRODUCTION

When you begin a business or project, you need a count of everything of value you own for that business. That count is called an inventory. You also need an inventory when you figure what you've earned or lost at the end of the year. By taking inventory promptly the first day of the year, you get an accurate count of properties, machinery, products and supplies to end the past year and begin the next. You can use the count, along with other records, to make future plans for the business, to help in getting a loan and to prepare taxes.

LESSON OBJECTIVE

After you complete this lesson, you should be able to accurately record a Supervised Agricultural Experience (SAE) business inventory.

STUDY QUESTIONS

After you complete this lesson, you should be able to answer the following questions:

1. What is an inventory?
2. When is an inventory taken?
3. Why is an inventory taken?
4. What forms are used for a business inventory?
5. What are some items included in a business inventory?
6. How is the "market value" for the business inventory determined?

Put a check beside the statement that is true for you.

☐ **I can do these tasks and want to go through the Performance Checklist.**

SEE YOUR INSTRUCTOR

☐ **I want to study the information in this unit before I do the Performance Checklist.**

TURN PAGE AND BEGIN

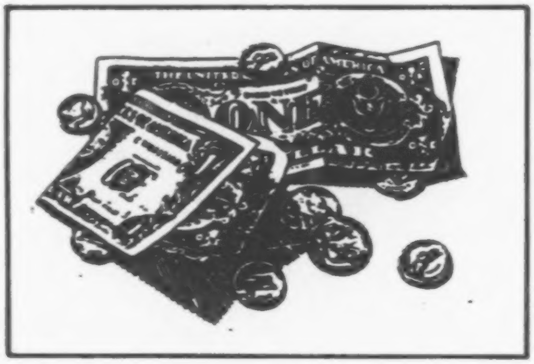
A. TERMS

1. **Asset** - an item of value owned by a business.
2. **Breeding (animals)** - animals used to raise young and increase the business or herd.
3. **Current asset** - also called a "short-term asset"; anything that can be converted to cash within one year.
4. **Current market value** - today's selling price of a product minus the cost of marketing (selling) it.
5. **Marketing the product** - the process of selling the product -- hauling the product (or having it hauled) to market, advertising, etc.
6. **Intermediate asset** - anything that could be sold within one to two years, but that, if sold, would hurt the business. Examples: breeding livestock and machinery.
7. **Inventory** - a count and record of everything of value that is owned by a business.
8. **Long-term asset** - anything that lasts a long time and is usually not sold to get income. Examples: land, buildings and fences.
9. **Non-breeding (animals)** - animals produced only for market.
10. **Purchased (animals)** - animals bought from another producer.
11. **Raised (animals)** - animals born and raised at your business.
12. **Short-term asset** - same as "current asset" (above).

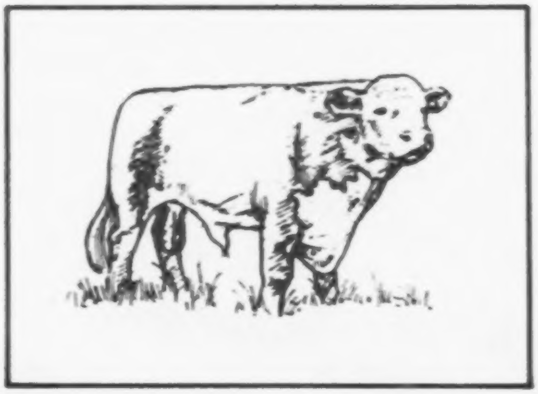
B. INVENTORY

An **inventory** is a count and record of the **assets** of a business (everything owned by the business that has value). Inventory is also a way of figuring how much each asset your business owns is worth. Assets are separated into three categories:

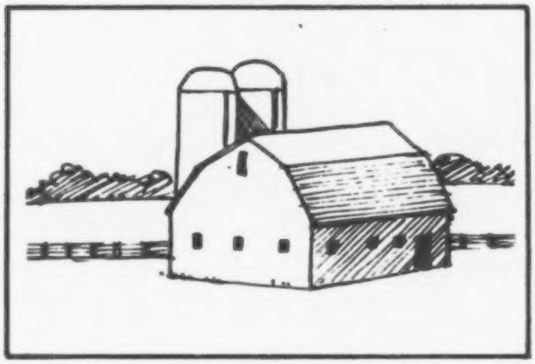
1. **Short-term assets** - items that can be easily sold and/or converted to cash within one year and whose sale would not hurt the business. Short-term assets might be a checking account, grain, non-breeding livestock, supplies, etc.



2. **Intermediate assets** - items that could be sold within a year or two, but are necessary to run the business. Intermediate assets might be machinery and equipment, breeding livestock (both purchased and raised), etc.



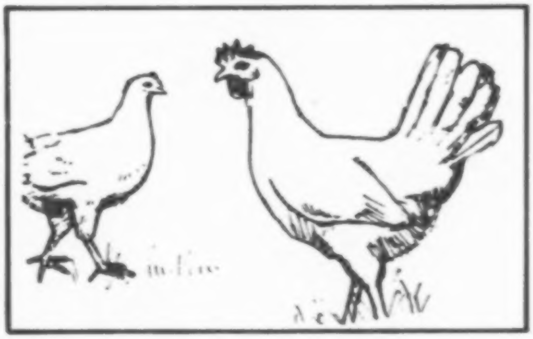
3. **Long-term assets** - items that are necessary for the operation of the business. Long-term assets might be land, buildings and fences, etc.

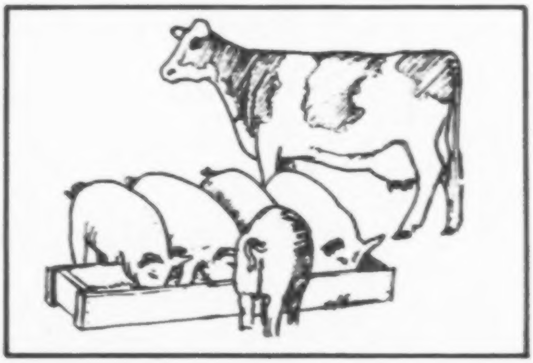


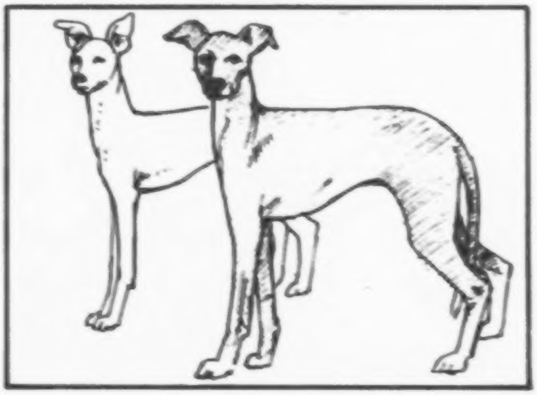
When you take inventory, you must find the "market value" of the assets your business owns. The basic way to determine market value is to check the current market prices in TV, radio and newspaper farm reports or by reading the Missouri Department of Agriculture's Weekly Market Summary. Then subtract what it would cost you to ship the asset(s) to market from the market price.

C. ASSETS TO INCLUDE ON AN AGRIBUSINESS INVENTORY

1. **Market animals, Breeding animals purchased and Breeding animals raised** - hogs, cattle, sheep, goats, horses, rabbits, chickens, turkeys, show dogs, etc.

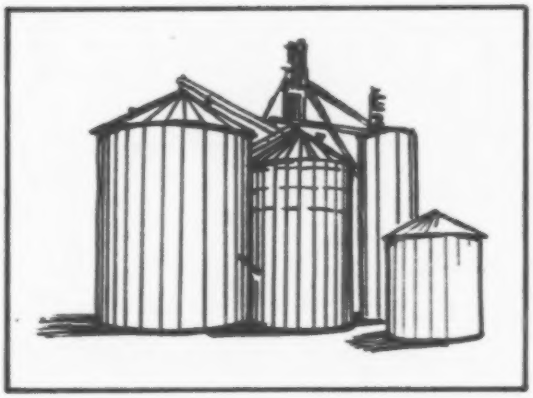




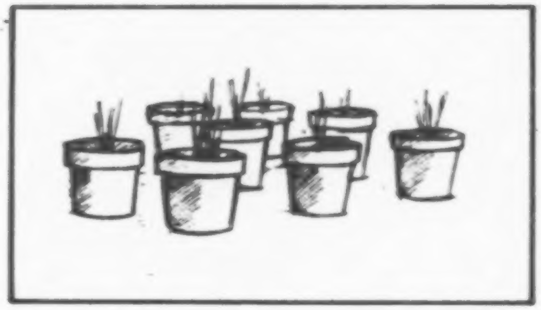


NOTE: Use the usual method to find the market value for a market animal. For a "breeding animal purchased," subtract the depreciation from the cost of the animal. (To figure depreciation, look at your depreciation schedule and the Farmer's Tax Guide). For a "breeding animal raised," use an average value that the type of animal has had over several years and figure the depreciation value. If you don't understand depreciation, talk to your instructor.

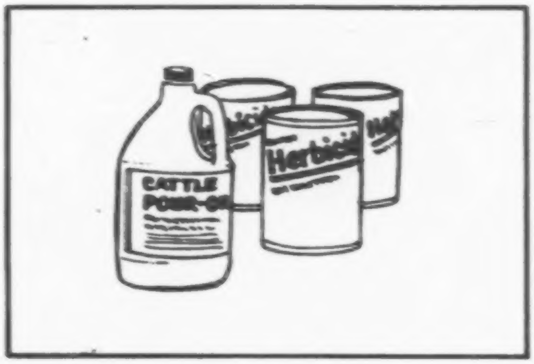
2. **Crops in storage, Crops in the field, Grain and Seeds** - corn, wheat, oats, soybeans, milo, hay, fescue, market vegetables, truck patch crops, etc.



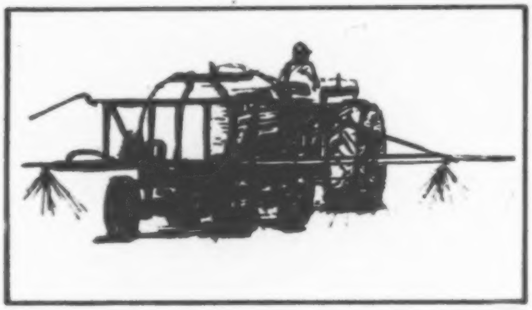
NOTE: Use the usual method to find the market value of crops in storage. For crops in the field, estimate the yield and the cost to get the harvest to the market.



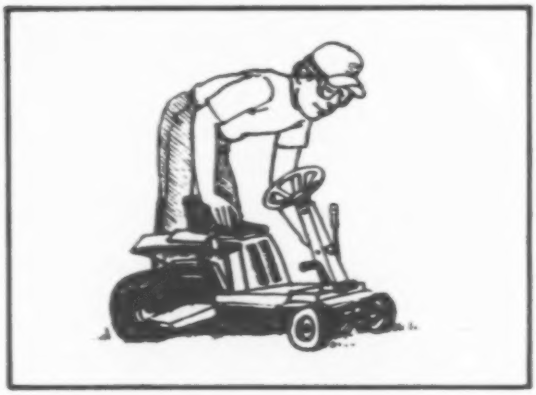
3. **Supplies** - these are items you need to run the business (sterilization chemicals, medicine, hay, feed mix, rabbit food, dog food, etc.)



4. **Fertilizer** - nitrogen, potash, potassium, etc.

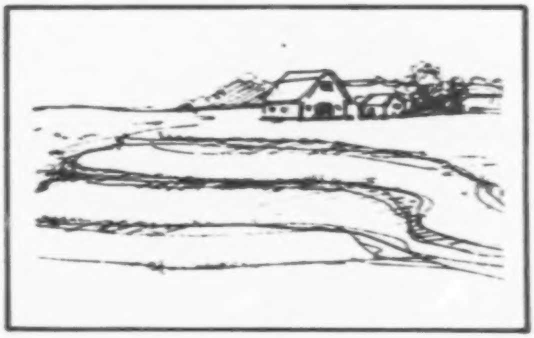


5. **Machinery and Equipment** - tractors, trailers, mowers, combines, planters, bailers, all-terrain vehicles, saws, tools, etc.

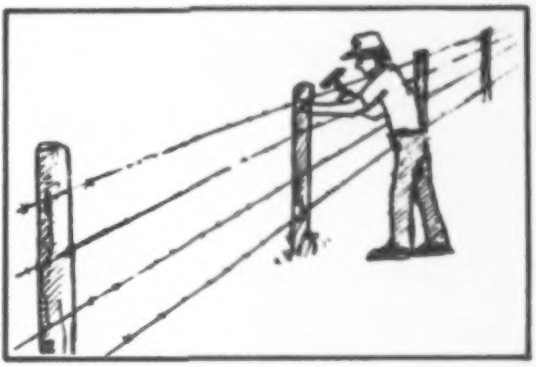


NOTE: To find the value, subtract the depreciation from the purchase value.

6. **Land** - crop or grazing land (use the book value--usually the price you paid for the land).



7. **Permanent buildings and improvements** - barns, sheds, fences, cages, chicken houses, business buildings, etc.



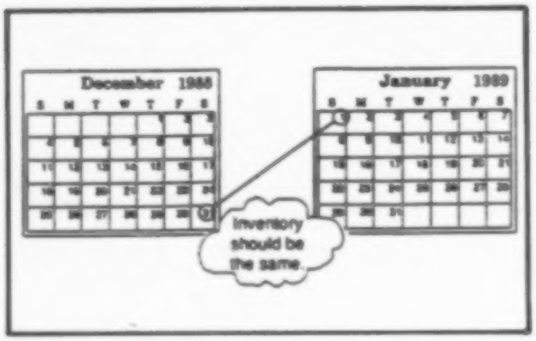
NOTE: To find the value, use the value listed on your depreciation schedule.

D. WHEN TO TAKE AN INVENTORY

Usually you take an inventory of what your business or project owns when:

1. You start or end a business
2. You apply for a loan.
3. It is the first day of the year.

189


December 1988
S M T W T F S
January 1989
S M T W T F S
Inventory should be the same.

In the real world, most people do not take inventory on New Year's Day (because they are on vacation) but soon after. Everything owned on the first day of January is included in the inventory count. It is best to take inventory as soon as possible because there is less chance of making costly mistakes in the records. The number and value of items owned (inventory) at both the end of one year and the beginning of the next year should be the same.

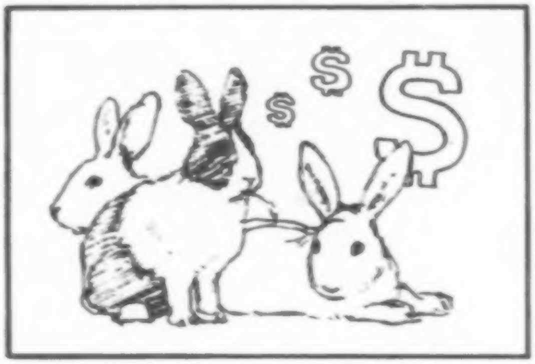
D. REASONS TO TAKE AN INVENTORY

There are several important reasons for taking a careful, correct inventory.

1. **So you (or the owner) can know and show others how profitable the business is.** You can use both the Cash Flow Forms

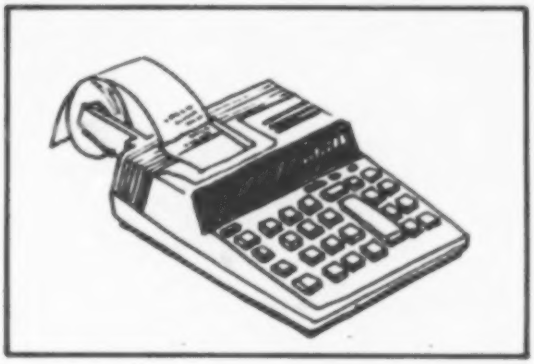
and Inventory Forms when you apply for a bank loan. If the forms contain positive information, they can help convince the banker to lend you money by showing that you will probably be able to pay back the loan.

2. **To determine the worth of your project or business.** To find out the value of what you own, you must count and write down all assets. Often a business is growing and expanding because much of its profit is being put right back into the business. More land, buildings and machinery are being purchased, and more supplies are being kept on hand.

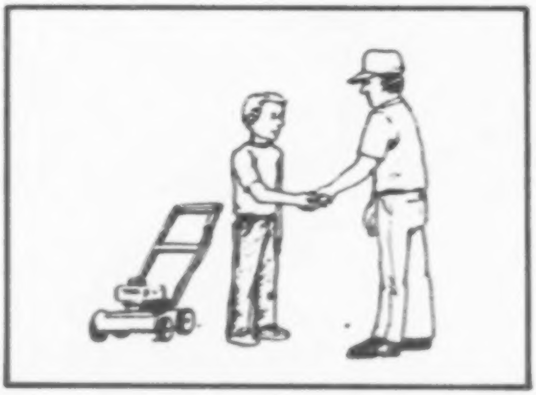


3. **To analyze the strengths and weaknesses of a business so you can plan for the future.**

4. **To figure taxes.** You record depreciation values of machinery and buildings on the inventory form. Depreciation can save your business money when you pay taxes. You should keep each year's records and use them the following year to determine how much your assets depreciated.



5. **To provide an accurate record for a new owner of the business.** A new owner or manager who purchases (or takes over) the business will need to see



an accurate inventory to understand how the business is doing.

DO SKILL SHEETS 1 AND 2

DO ACTIVITY SHEET 1

INVENTORY

SKILL SHEET 1

Directions: Follow the directions below by looking back at the information from the previous section and any other agricultural information you choose.

1. Explain what "inventory" means.

2. List five kinds of animals that could be used in an SAE business and would need to be listed in an inventory.

3. Write down three or more grains that would be counted in an inventory if you had them on hand.

4. Write down five different machines and/or equipment that could be counted in an inventory.

5. List or describe three or more kinds of permanent buildings and improvements that might be included in the inventory.

6. List or tell three reasons why an inventory is needed.

INVENTORY

SKILL SHEET 2

Directions: Match each item in the left column with an item on the right.

_____ 1. Items that can be easily sold for cash within one year and whose sale would not hurt the business

____ 2. Items that could be sold but are necessary to run the business

____ 3. Land, buildings and improvements

____ 4. Corn, wheat, soybeans, milo, hay, and market vegetables

____ 5. Hogs, cattle, sheep, goats, horses, rabbits, chickens, turkeys, mink and show dogs

a. Crops in storage or in the field

b. Breeding animals purchased or raised

c. Short-term assets

d. Long-term assets

e. Intermediate assets

___ 6. Feed for animals, sterilization chemicals and medicine

___ 7. Tractors, mowers, combines, planters and bailers

___ 8. Use the book value (usually what you paid for it) for inventory

___ 9. Barns, sheds, fences and cages

___10. Divide the cost by the estimated life span of the animal and subtract the answer for each year you had the animal

a. Machinery and equipment

b. Permanent buildings and improvements

c. Supplies

d. Depreciation

e. Land

INVENTORY

ACTIVITY SHEET 1

Directions: Find a source that carries a report on farm prices (either a newspaper with a farm report or the Agriculture Department's Weekly Market Summary). Answer the questions or follow the directions below.

1. List the different areas of the country covered in the report.

2. List the different kinds of animals the report includes.

3. How many days of the week does the report cover?

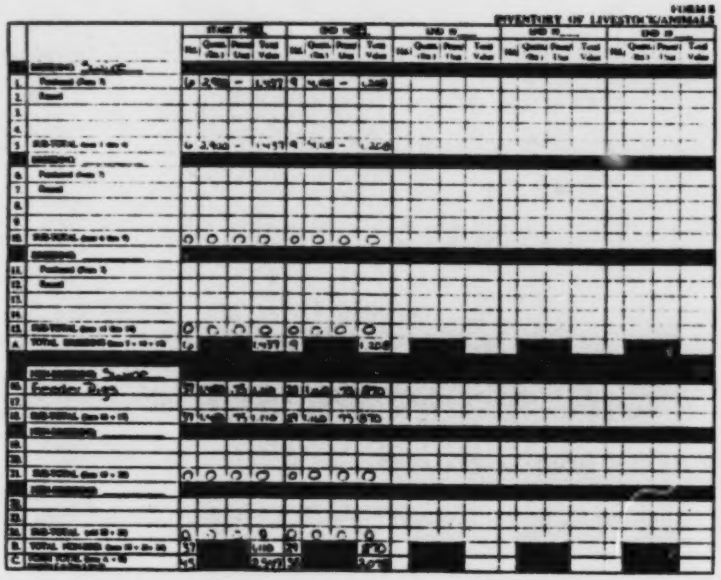
4. What quality of animals are listed?

5. List the current price of five types of animals.

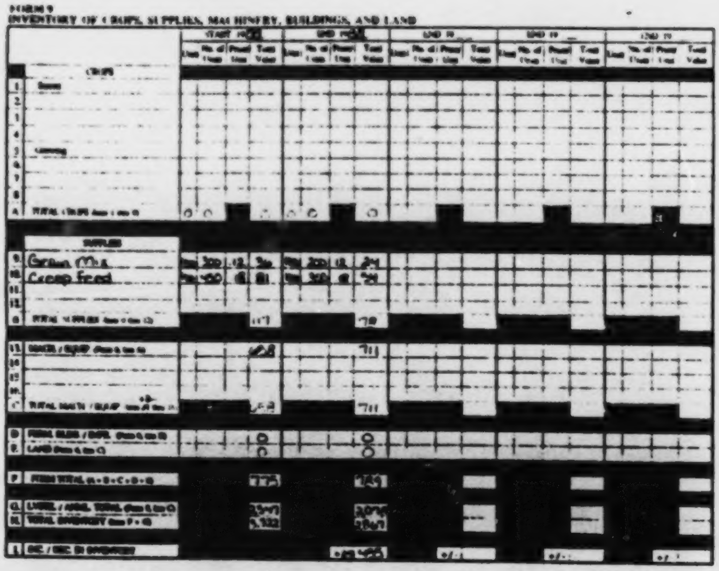
F. THE FORMS FOR BUSINESS INVENTORY

Let's look at the business inventory forms, Form 8 and Form 9. They are gray.

**FORM 8:
INVENTORY OF
LIVESTOCK/ANIMALS**

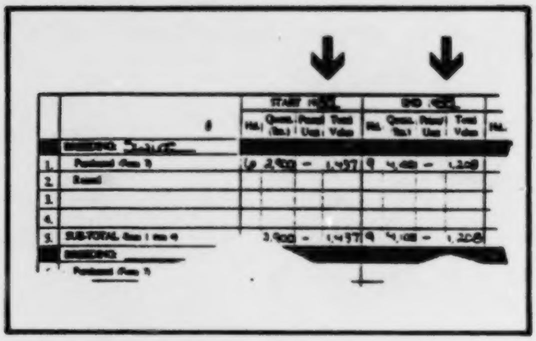


**FORM 9:
INVENTORY OF CROPS,
SUPPLIES,
MACHINERY,
BUILDINGS
AND LAND**



FORM 8

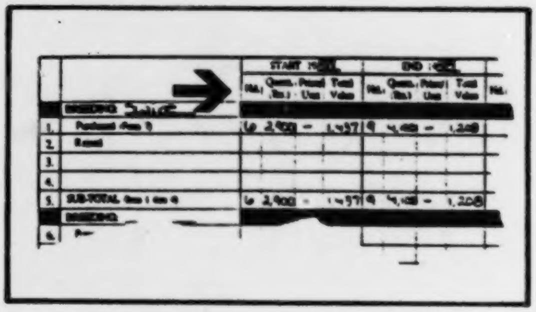
1. The year the business started and each year's end are recorded across the top of the page.



2. Also across the top of the page are headings that mean:

   Hd. = how many "head" of animals the business has.

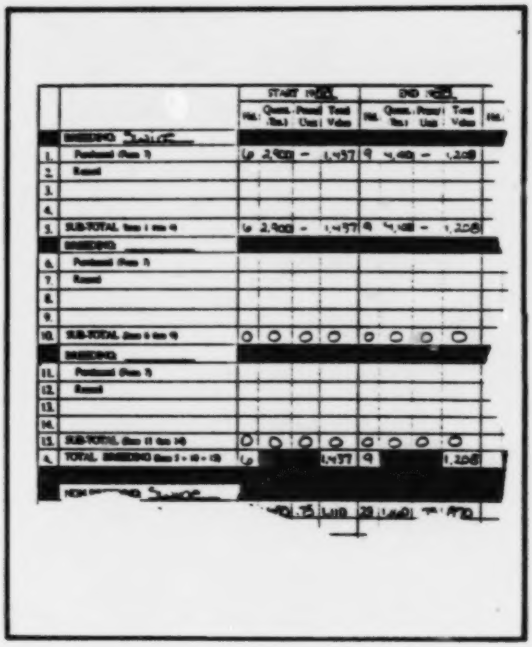
   Quant. (lbs.) = how much the animals weigh.



   Price/Unit = how much the items cost per pound.

   Total value = how much are they worth all together.

Breeding Animals



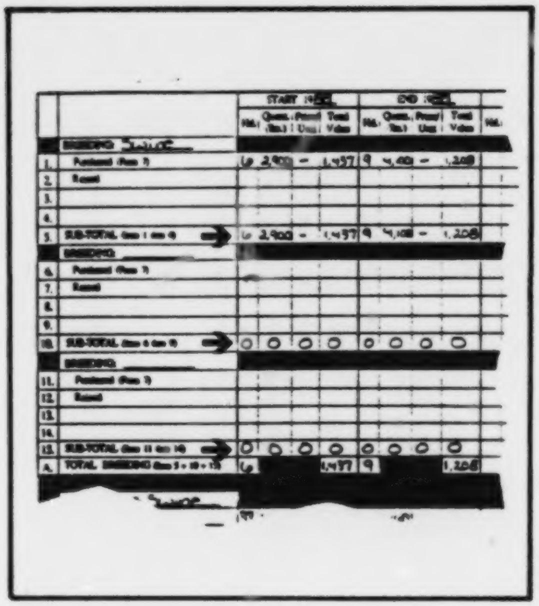
3. Down the left side of the page (lines 1 to 15) are places to record different kinds of breeding animals. In the blanks above lines 1, 6 and 11, write in animals you are raising (swine, cattle, chickens, rabbits, etc.)

4. The price of animals purchased from someone else goes on lines 1, 6 and 11.

5. Put the price of animals you produced and raised on lines 2, 7 and 12.

6. The inventories for purchased and raised animals are kept separate. To get the subtotals, add lines 1 through 4, putting the answer on line 5; add lines 6 through 9, putting the answer on line 10; and add lines 11 through 14, putting the answer on line 15.

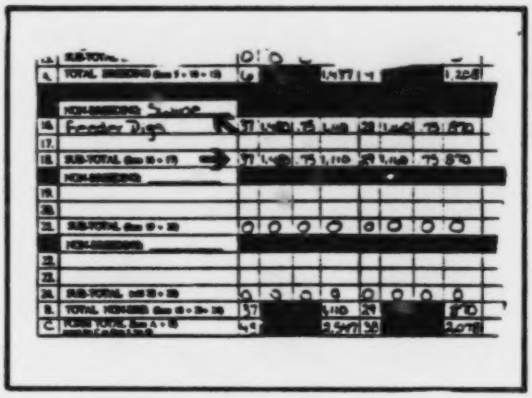
7. To get the number to be placed on line A, TOTAL BREEDING ANIMALS, add the subtotals (lines 5, 10 and 15) for number of head.



8. Again on line A, under TOTAL VALUE, you add the subtotals (lines 5, 10 and 15) to show how much your breeding animals are worth.

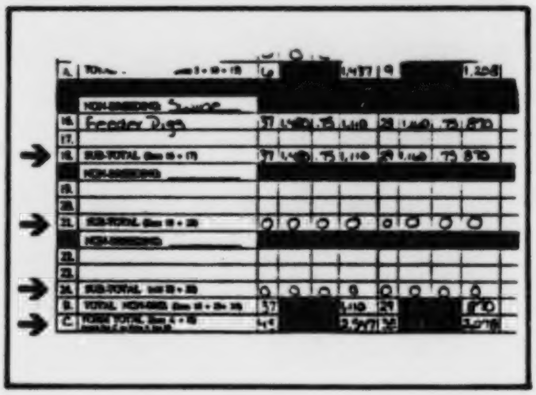
Non-breeding Animals

9. To record three kinds of non-breeding animals, use the blanks above lines 16, 19 and 22.



10. To find the line 18 subtotal, add lines 16 and 17; the line 21 subtotal, add lines 19 and 20; and the line 24 subtotal, add lines 22 and 23.

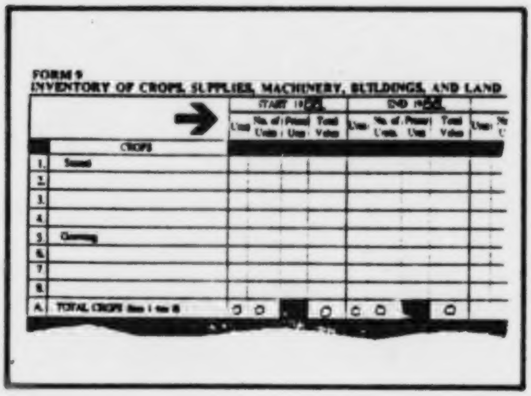
11. To get the number for line B, TOTAL NON-BREEDING ANIMALS, add lines 18, 21 and 24 (subtotals).



12. Add lines A and B to get the total for breeding and non-breeding animals. Put the answer on line C.

FORM 9

13. Across the top of the page, record the year you started the business and the end of each following year.



FORM 9
INVENTORY OF CROPS, SUPPLIES, MACHINERY, BUILDINGS, AND LAND

14. Also across the top of the page are headings that mean:

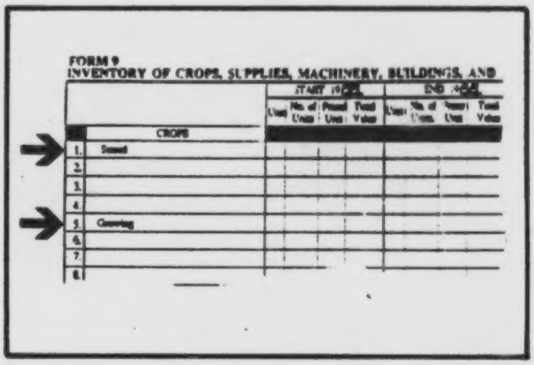
Unit - the kind of measure, such as pounds, bushels, etc.

No. of Units. - the number of pounds, bushels, etc.

__Price/Unit__ - the amount of dollars or cents per unit (lbs, bu., etc.)

__Total Value__ - the number of units multiplied by the price per unit

15. Record the worth of two kinds of crops on the left side of the page: (1) **stored** crops (corn or wheat in a grain bin) and (2) **growing** crops still in the fields (milo, soybeans, hay, etc.).



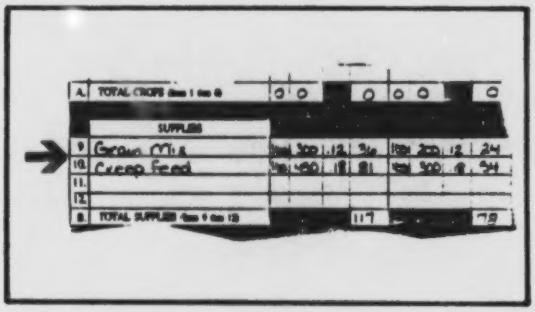
FORM 9
INVENTORY OF CROPS, SUPPLIES, MACHINERY, BUILDINGS, AND

		START 19				END 19			
	CROPS	Unit	No. of Units	Price/ Unit	Total Value	Unit	No. of Units	Price/ Unit	Total Value
1.	Stored								
2.									
3.									
4.									
5.	Growing								
6.									
7.									
8.									

NOTE: Subtract the cost to market (sell) the crop from the its current market value to find the amount.

16. Line A provides a place to add all the crops on lines 1 through 8.

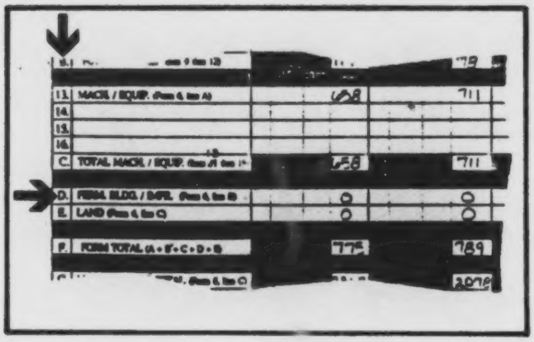
17. Record supplies on hand on lines 9 through 12 and added for the total on line B.



A.	TOTAL CROPS (line 1 thru 8)	0	0		0	0	0		0
	SUPPLIES								
9	Grow Mix	lbs	300	.12	36	lbs	200	.12	24
10.	Creep Feed	lbs	450	.18	81	lbs	300	.18	54
11.									
12.									
B.	TOTAL SUPPLIES (line 9 thru 12)				117				78

18. Record the value of machinery and equipment taken from the depreciation schedule, Form 6, on lines 13 through 16.

19. Add lines 13 through 16 and record the total on line C.

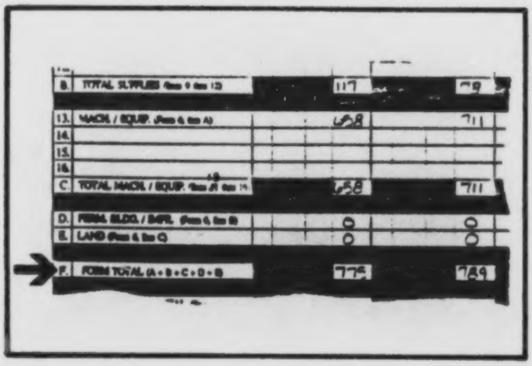


B.	[illegible] (line 9 thru 12)	[illegible]	79
13.	MACH. / EQUIP. (Form 6, line A)	658	711
14.			
15.			
16.			
C.	TOTAL MACH. / EQUIP. (line 13 thru 16)	658	711
D.	FARM BLDG. / IMPR. (Form 6, line B)	0	0
E.	LAND (Form 6, line C)	0	0
F.	FORM TOTAL (A + B + C + D + E)	775	789
G.	[illegible] (Form 6, line C)	[illegible]	2079

20. The worth of buildings and fences (anything that increases the value of the property), taken from depreciation Form 6, goes on line D.

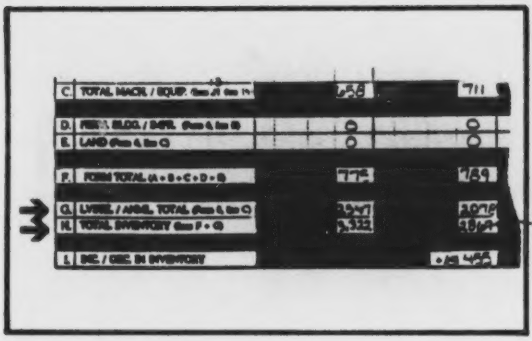
21. Line E is for the value of the land transferred from Form 6.

22. When finding the FORM TOTAL for line F, add only the lines requested. Do not add any numbered lines -- only A through E on this page.



B.	TOTAL SUPPLIES (line 9 thru 12)	117	79
13.	MACH. / EQUIP. (Form 6, line A)	658	711
14.			
15.			
16.			
C.	TOTAL MACH. / EQUIP. (line 13 thru 16)	658	711
D.	FARM BLDG. / IMPR. (Form 6, line B)	0	0
E.	LAND (Form 6, line C)	0	0
F.	FORM TOTAL (A + B + C + D + E)	775	789

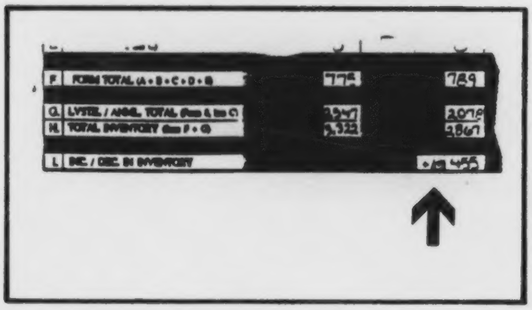
23. Transfer the Livestock/Animal Total (LVSTK./ANML. TOTAL), line G, from line C on the other side of the page.



24. TOTAL INVENTORY is line H, which is the total for this page, added to line G, the livestock total from the previous page.

25. Use line I to record the increase or decrease (INC./DEC.) in inventory since the start or the most recent inventory. Use the two most recent figures from line H and subtract.

26. Circle the (+) if you had more inventory at the end of the year, or the (-) if you had less.



DO ACTIVITY SHEET 2

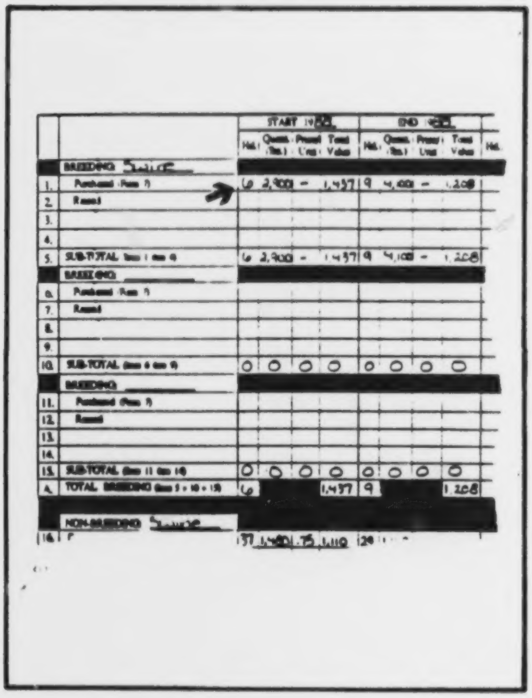
INVENTORY

ACTIVITY SHEET 2

Directions: Get the Sample Entries for the Missouri Agricultural Record Book for Secondary Students and the gray Inventory Forms 8 and 9. Follow the step-by-step directions below.

1. At the top of form 8, write that you started the business in 1988.

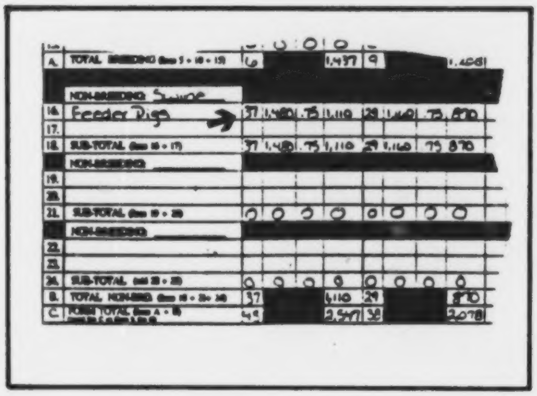
2. Look at the sample entries for inventory of livestock/animals. Record the information for breeding animals on Form 8. **Sample entry: Start of Year: 6 purchased breeding swine: Total weight of 2,900 lbs.; Total value of $1,437; End of Year: 9 purchased breeding hogs: Total weight of 4,100 lbs.; Total value of $1,208**



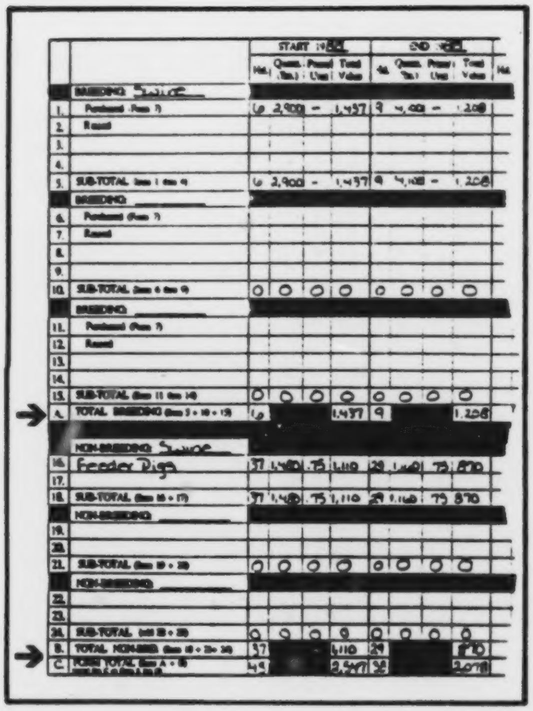
		START 19[illegible]				END 19[illegible]				
		No.	Quant. (lbs.)	Price/Unit	Total Value	No.	Quant. (lbs.)	Price/Unit	Total Value	No.
	BREEDING Swine									
1.	Purchased	6	2,900	-	1,437	9	4,100	-	1,208	
2.	Raised									
3.										
4.										
5.	SUB-TOTAL	6	2,900	-	1,437	9	4,100	-	1,208	
	BREEDING									
6.	Purchased									
7.	Raised									
8.										
9.										
10.	SUB-TOTAL	0	0	0	0	0	0	0	0	
	BREEDING									
11.	Purchased									
12.	Raised									
13.										
14.										
15.	SUB-TOTAL	0	0	0	0	0	0	0	0	
A.	TOTAL BREEDING	6			1,437	9			1,208	
	NON-BREEDING Swine									
16.	F	37	1,480	.75	1,110	29	[illegible]	[illegible]		

3. Total (1) the number of head, (2) the value for the start of the year and (3) the value for the end of the year. Put the answers on line A.

4. Now look at the sample entries under "non-breeding." **Sample Entry: Start of Year: 37 feeder pigs: Total weight of 1,480 lbs.; Total value of $1,110 ($.75/lb.); End of Year: 29 feeder pigs: Total weight of 1,160 lbs.; Total value of $870 ($.75/lb.)**



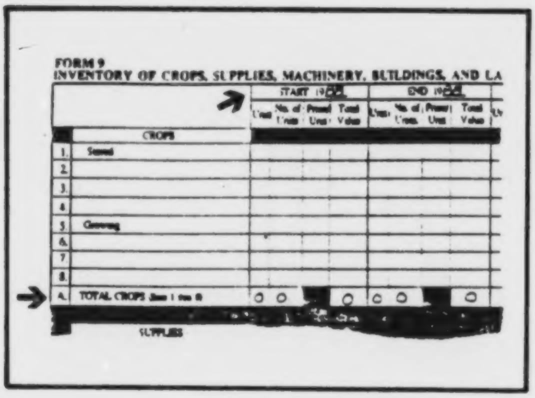
5. Total (1) the number of head of non-breeding animals and (2) their value for the start of the year and (3) for the end of the year. Put the answers on line B.



		START 1988				END 1988			
		No.	Quan. (lbs.)	Price/Unit	Total Value	No.	Quan. (lbs.)	Price/Unit	Total Value
	BREEDING: Swine								
1.	Purchased (Form 7)	6	2,900	-	1,437	9	4,100	-	1,208
2.	Raised								
3.									
4.									
5.	SUB-TOTAL (lines 1 thru 4)	6	2,900	-	1,437	9	4,100	-	1,208
	BREEDING:								
6.	Purchased (Form 7)								
7.	Raised								
8.									
9.									
10.	SUB-TOTAL (lines 6 thru 9)	0	0	0	0	0	0	0	0
	BREEDING:								
11.	Purchased (Form 7)								
12.	Raised								
13.									
14.									
15.	SUB-TOTAL (lines 11 thru 14)	0	0	0	0	0	0	0	0
A.	TOTAL BREEDING (lines 5 + 10 + 15)	6			1,437	9			1,208
	NON-BREEDING: Swine								
16.	Feeder Pigs	37	1,480	.75	1,110	29	1,160	.75	870
17.									
18.	SUB-TOTAL (lines 16 + 17)	37	1,480	.75	1,110	29	1,160	.75	870
	NON-BREEDING:								
19.									
20.									
21.	SUB-TOTAL (lines 19 + 20)	0	0	0	0	0	0	0	0
	NON-BREEDING:								
22.									
23.									
24.	SUB-TOTAL (lines 22 + 23)	0	0	0	0	0	0	0	0
B.	TOTAL NON-BREED (lines 18 + 21 + 24)	37			1,110	29			870
C.	FARM TOTAL (lines A + B)	43			2,547	38			2,078

6. To find the total animals, add lines A and B. Put your answer on line C.

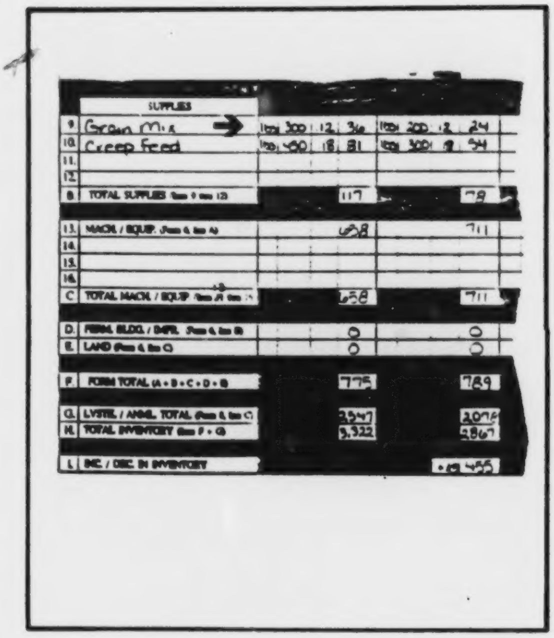
7. Turn the page to Form 9. Record the year 1988 to start and also to end. Because there are no crops recorded on the sample entries, lines 1 through 8 should be blank and zeros should be on line A.



FORM 9
INVENTORY OF CROPS, SUPPLIES, MACHINERY, BUILDINGS, AND LA

		START 1988				END 1988			
		Units	No. of Units	Price/Unit	Total Value	Units	No. of Units	Price/Unit	Total Value
	CROPS								
1.	Saved								
2.									
3.									
4.									
5.	Growing								
6.									
7.									
8.									
A.	TOTAL CROPS (lines 1 thru 8)	0	0		0	0	0		0
	SUPPLIES								

8. Look at the sample entries for the inventory of supplies. Record the entries on form 9. **Sample entry: Start of Year: 300 pounds of grain mix: Total value of $36 ($.12/lb.), 450 pounds of creep feed: Total value of $81 ($.18/lb.); End of Year: 200 pounds of grain mix: Total value of $24 ($.12/lb.), 300 pounds of creep feed: Total value of $54 ($.18/lb.)**



	SUPPLIES						
9	Grain Mix →	lbs 300	.12	36	lbs 200	.12	24
10	Creep Feed	lbs 450	.18	81	lbs 300	[illegible]	54
11.							
12							
B	TOTAL SUPPLIES			117			78
13.	MACH. / EQUIP.			658			711
14.							
15.							
16.							
C	TOTAL MACH. / EQUIP			658			711
D.	FARM BLDG. / DEPR.			0			0
E	LAND			0			0
F.	FORM TOTAL (A + B + C + D + E)			775			789
G.	LVSTK. / ANML. TOTAL			2547			2078
H.	TOTAL INVENTORY			3,322			2867
I	INC. / DEC. IN INVENTORY						-455

9. The machinery and equipment inventory will be copied from the depreciation form, which your instructor will show you how to fill out. The number is $658 to start and $711 to end the year. Write these figures on line 13. Total them on line C.

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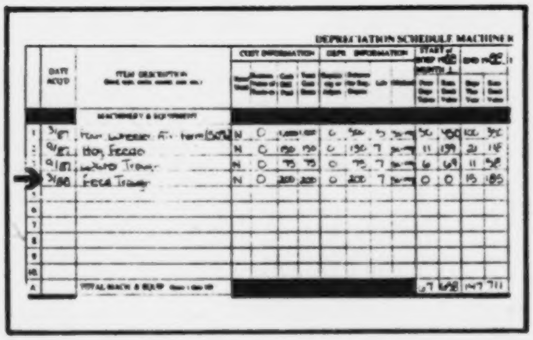
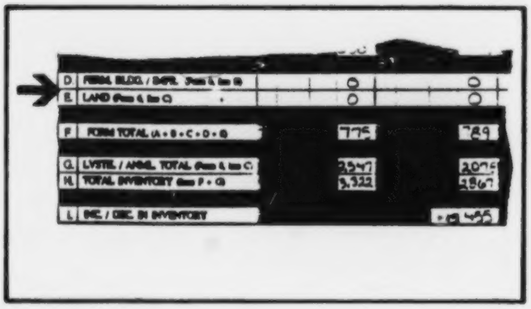
Note: You may be confused as to why on a depreciation form (which means the value is getting less) the machinery and equipment were worth more at the end of 1988 than at the beginning. Look at Form 6. Notice that the business bought a feed trough 3/88. The business has more equipment than it did the beginning of 1988.



DEPRECIATION SCHEDULE MACHINERY

MACHINERY & EQUIPMENT

10. There are no permanent buildings/improvements or land. Put zeros on lines D and E.



D	FARM BLDG. / IMPR.	0	0
E	LAND	0	0
F	FORM TOTAL (A + B + C + D + E)	775	789
G	LVSTK. / ANML. TOTAL	2,547	2,075
H	TOTAL INVENTORY (line F + G)	3,322	2,867
I	INC. / DEC. IN INVENTORY		+/- 455

11. Add the numbers under the "totals" coummns: TOTAL CROPS, TOTAL SUPPLIES, TOTAL MACHINERY/EQUIPMENT, PERMANENT BUILDINGS IMPROVEMENTS, and LAND, (lines A, B, C, D and E). Record the sum on line F, FORM TOTAL.

12. Copy the livestock/animal total from the previous page. (Form 8, line C)

13. Add lines F and G to get the total inventory. Put the answer on line H.

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14. Subtract one number on line H from the other to get the increase or decrease in inventory. If the last number in line H is the larger one, you had an increase in inventory (+). If the other number in line H is the larger one, you had a decrease in inventory (-), and you should circle the (-).

Super! You are done.

INVENTORY

LESSON TEST

Directions: Answer the following questions in writing or by discussion.

1. What is an inventory?

2. List three times an inventory might be taken.

3. Why is an inventory taken?

4. What color are the inventory forms and what are their numbers?

5. List ten items that might be included in an inventory.

6. What is the basic way to determine "market value" when taking inventory?

7. What two types of livestock are listed on the inventory form?

8. Name two types of crops that might be recorded on an inventory form.

9. What are supplies?

10. List some buildings and improvements that should be counted in an inventory.

INVENTORY

PERFORMANCE CHECKLIST

Student ______________________ successfully performed the following tasks:

	YES	NO	COMMENTS
1. Explained the meaning of inventory			
2. Explained when to take inventory			
3. Explained why to take inventory			
4. Chose the correct forms for inventory			
5. Listed items to be included in a business inventory			
6. Explained how "market value" is determined			

Satisfactory - should move on ☐

Should repeat this unit ☐

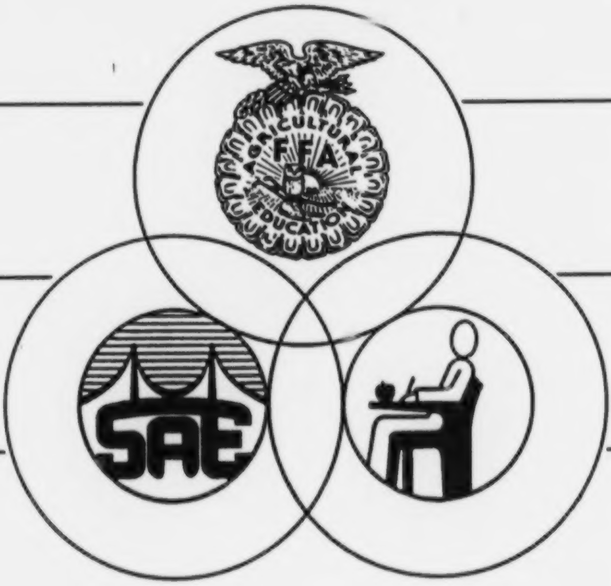
______________________ Student's Signature/Date

______________________ Instructor's Signature/Date

Supplementary Units 90-1000-S

Agricultural Record Keeping

Financial Statement


AGRICULTURAL
FFA
EDUCATION
SAE

Instructional Materials Laboratory, University of Missouri-Columbia, Columbia, Missouri

FINANCIAL STATEMENT

INTRODUCTION

A financial statement is like a picture in numbers of your project or business. It shows how the business stands financially at a specific time. Financial statements are used to compare businesses or to study the status of one business. Usually financial statements are made at the start of the year, but they may be completed at any time. Often a lender will insist on seeing a financial statement before loaning money or giving credit.

LESSON OBJECTIVE

After you complete this lesson, you should be able to properly complete a financial statement form.

STUDY QUESTIONS

After you complete this lesson, you should be able to answer these questions:

1. What are the three types of liabilities?
2. What are the four types of assets?

3. What forms are used for non-business assets, business assets and business liabilities?
4. What are some examples of non-business assets, business assets and business liabilities?
5. How is market value determined for non-business and business assets?
6. How does one transfer information from the business inventory to the financial statement?

Put a check beside the statement that is true for you.

☐ **I can do these tasks and want to go through the Performance Checklist.**

SEE YOUR INSTRUCTOR

☐ **I want to study the information in this unit before I do the Performance Checklist.**

TURN PAGE AND BEGIN

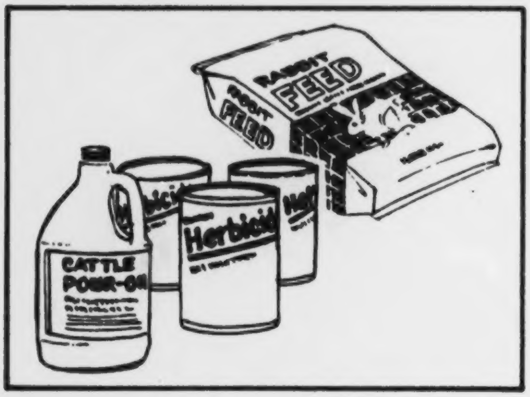
A. TERMS

1. **Asset** - anything of value you or your business own.
2. **Leverage** - using mortgaged assets (something you own) to borrow money for your business or project.
3. **Liabilities** - debts.
4. **Liquidity** - the ability to pay all current liabilities (debts) immediately if needed.
5. **Net worth** - total assets minus total liabilities.
6. **Solvency** - having more total assets than total liabilities.
7. **Working capital** - the current assets minus the current liabilities.

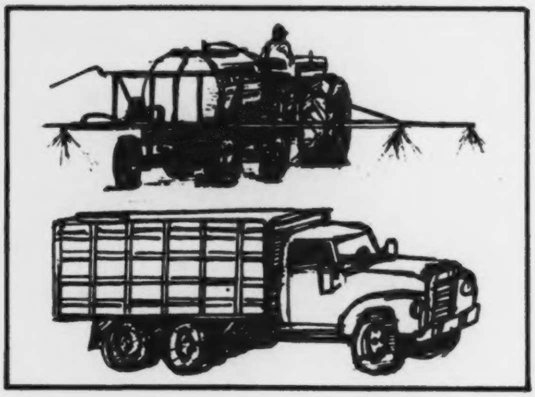
B. THE FOUR TYPES OF LIABILITIES

Liabilities are debts. They are divided into **business** liabilities (business debts) and **non-business** liabilities (personal debts unrelated to the business). There are three types of business liabilities: (1) current, (2) intermediate and (3) fixed.

1. **Current liabilities** are debts payable on demand or within a year or less. (Examples: bills for supplies such as feed, seed, medicine, etc.)

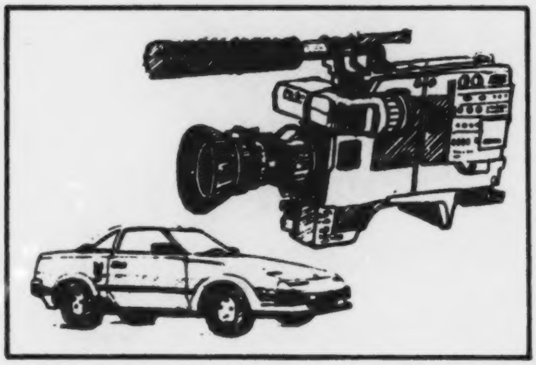


2. **Intermediate liabilities** are debts payable over a period of time from one to 10 years. (Examples: payment schedules for machinery or equipment such as mowers, chain saws, etc.)



3. **Fixed liabilities** are debts payable over a period of greater than 10 years. (Examples: mortgage payments for land or real estate.)

4. The fourth kind of liability is a **non-business liability**. A non-business liability is a debt for an item you own but do not use in the business. (Examples: bills or payments for a personal car, a stereo, an all-terrain vehicle (ATV) not used in the business, an electric guitar, etc.)



DO SKILL SHEET 1

FINANCIAL STATEMENT

SKILL SHEET 1

Directions: Decide the type of liability for each item below. Write the letter of the answer in the blank.

A. Non-business liabilities
B. Current liabilities
C. Intermediate liabilities
D. Fixed liabilities

____ 1. Debts that are not part of the business.

____ 2. Debts payable over a period of greater than ten years.

____ 3. Debts for land or real estate.

____ 4. Debts for machinery or equipment.

____ 5. Debts payable in a period from one to 10 years.

____ 6. Debts payable on demand or within a year or less.

____ 7. Debts for a personal car.

____ 8. Debts for supplies such as feed, seed and medicine.

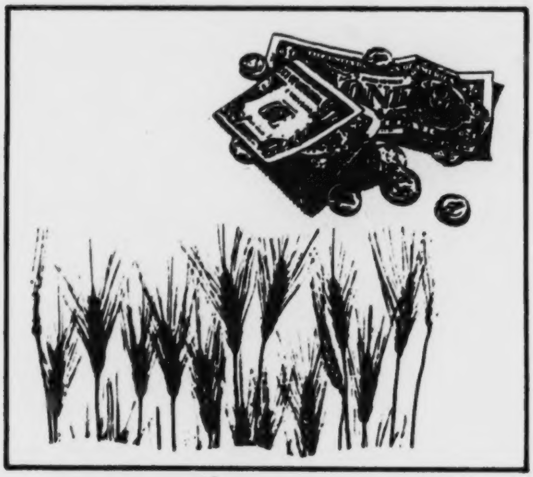
____ 9. Debts for an all-terrain vehicle (ATV) used only for the business.

____ 10. Debts for an ATV used just for fun.

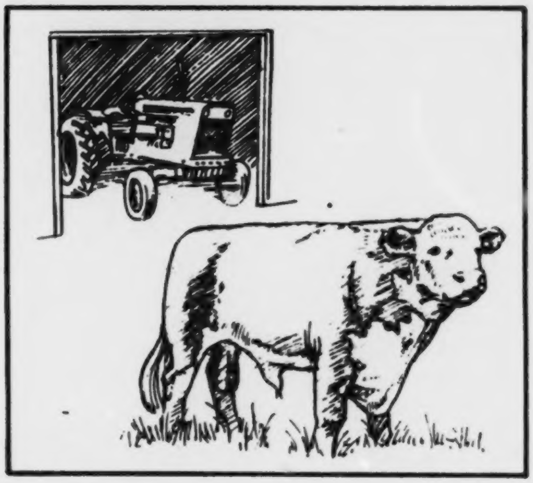
C. THE FOUR TYPES OF ASSETS

Assets are items of value you or your business own. There are **business** assets (items owned and used by the business) and **non-business** assets (items not used by the business). There are three types of business assets: (1) current assets, (2) intermediate assets and (3) fixed assets.

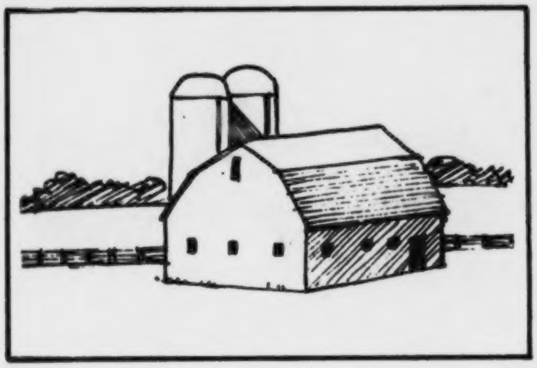
1. **Current business assets** are items of value you use in the business that have a useful life of one year or less. (Examples: non-breeding animals, crops, cash on hand that belongs to the business, money owed to the business and supplies.)



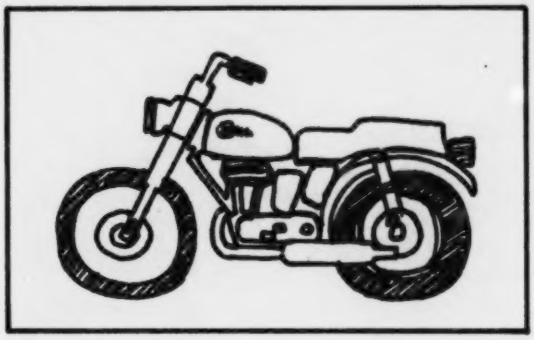
2. **Intermediate business assets** are items of value you use in the business that usually last one to 10 years. (Examples: breeding animals, machinery and equipment.)



3. **Fixed business assets** are items of value you use in the business that usually last more than 10 years. (Examples: buildings, fences and land.)



4. The fourth type of asset is a **non-business asset.** A non-business asset is an item that you own but do not use in the business. (Examples: personal cash on hand or in a checking or savings account, money owed to you personally, a personal car or truck, a stereo, motorcycle, computer, etc.)



D. DETERMINING MARKET VALUE OF BUSINESS AND NON-BUSINESS ASSETS

The market value for non-business assets is either (1) the current cost to replace an item or (2) an average cost over several months. Several sources will help you find the market value of your business assets. You can get reports on current market prices from the radio or TV. See a radio or TV guide for times of farm shows. The Missouri Department of Agriculture publishes current weekly market prices of livestock. Grain prices and futures are also printed and sent on request.

DO SKILL SHEETS 2 AND 3

FINANCIAL STATEMENT

SKILL SHEET 2

Directions: Match the statements on the left with the terms on the right. Write the letters in the blank spaces beside the statements. Use each letter twice.

____ 1. Items owned, but not used in the business

____ 2. Items that can be used in the business one to 10 years.

____ 3. Items of value that can be used more than 10 years.

____ 4. Items of value that can be used in the business one year or less.

____ 5. Buildings, land or improvements.

____ 6. Supplies such as feed, seed and medicine.

____ 7. A personal car, stereo, etc.

____ 8. Machinery and equipment.

A. non-business assets

B. current business assets

C. intermediate business assets

D. fixed business assets

FINANCIAL STATEMENT

SKILL SHEET 3

Directions: Write the letter of the best answer on each blank.

A.	Non-business	C.	Current business
B.	Intermediate business	D.	Fixed business

___ 1. You own some pasture land. It is a(n) ______________________ asset.

___ 2. You purchased five sows to use for breeding stock. They are ______________________ assets.

___ 3. There is $500 in your personal savings account. It is a(n) ______________________ asset.

___ 4. Sally Stover owes you for 100 pounds of fescue seed. The money is a(n) ______________________ asset.

___ 5. An all-terrain vehicle used half of the time to round up cattle and half of the time to go four-wheeling for fun can be counted as a 50% intermediate business asset and as a 50% ______________________ asset.

___ 6. There are 20 acres of soybeans in the field. These are considered a(n) ____ asset.

___ 7. Your personal car is a(n) ________________________________ asset.

___ 8. The hay bailer you bought for the hay business is a(n) ______________________________________ asset.

___ 9. The barn you built to keep pigs in is a(n) ________________________ asset.

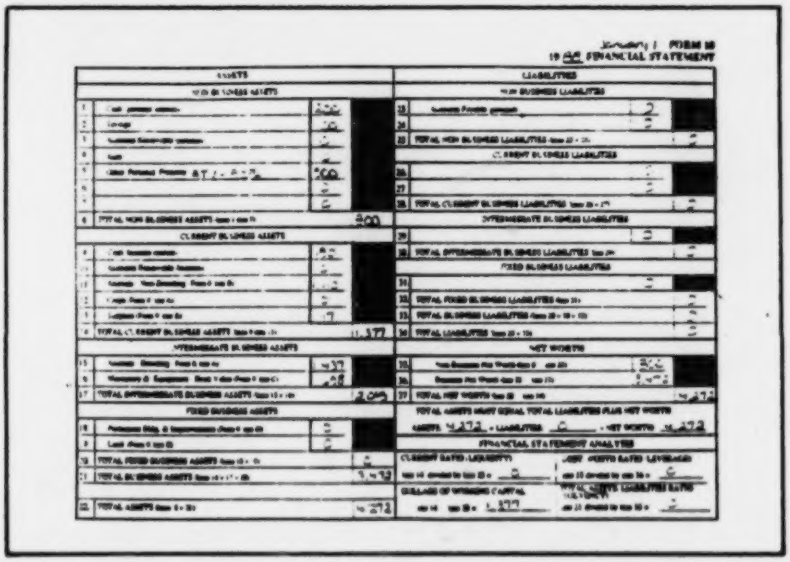
___10. Ten bags of feed is a(n) _______________________________ asset.

E. THE FINANCIAL STATEMENT FORMS

You use Financial Statement (color coded gray) Form 10 to record liabilities and assets (both business and non-business). The left side lists assets; the right side lists liabilities. Some of the information you put on the financial statement form is copied from other forms. The rest will be taken from the sample entries.

You will need:

1. Form 10 financial statement (gray)
2. the Sample Entries for the Missouri Agricultural Record Book for Secondary Students
3. Form 8 - Inventory of Livestock/Animals
4. Form 9 - Inventory of Crops, Supplies, Machinery, Buildings and Land (Form 9 is on the back of Form 8.)



Sample Entry:

Start of Year:

Non-Business Assets: Cash = $200

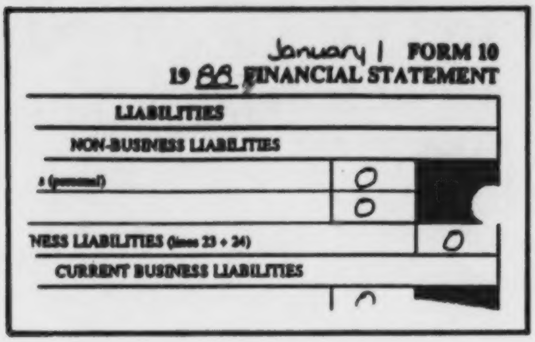
Savings = $100

Other Personal Property (ATV-50%) = $500

Current Business Assets: Cash = $150

No Non-Business or Business Liabilities

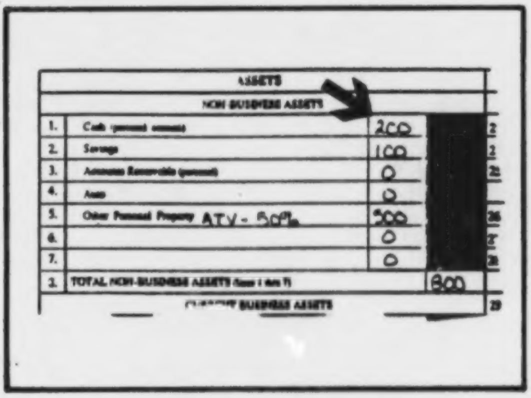
1. In the upper right of Form 10, there is a place for the year. Write "January 1, 1988," in the blank.



January 1 FORM 10
19 88 FINANCIAL STATEMENT

LIABILITIES		
NON-BUSINESS LIABILITIES		
(personal)	0	
	0	
NESS LIABILITIES (lines 23 + 24)		0
CURRENT BUSINESS LIABILITIES		

2. Lines 1 through 8 are for non-business assets. On line 1, write "$200" for your personal checking account.

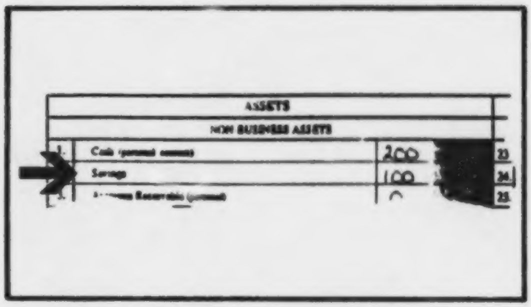


ASSETS
NON-BUSINESS ASSETS

1.	Cash	200	
2.	Savings	100	
3.	Accounts Receivable (personal)	0	
4.	Auto	0	
5.	Other Personal Property ATV - 50%	500	
6.		0	
7.		0	
8.	TOTAL NON-BUSINESS ASSETS		800

CURRENT BUSINESS ASSETS

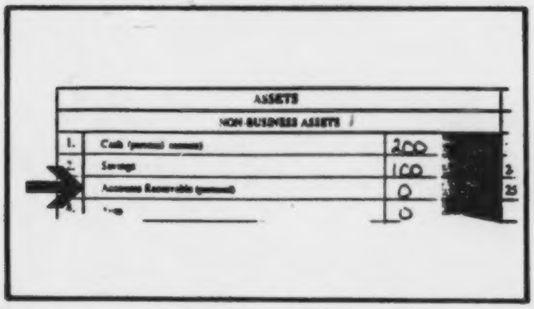
3. Write "$100" on line 2 to show how much savings you have.



ASSETS
NON-BUSINESS ASSETS

1.	Cash	200
2.	Savings	100
3.	Accounts Receivable (personal)	

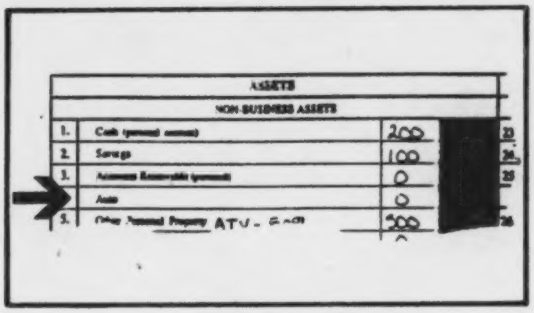
4. No one owes you any personal money; so put a zero on line 3.



ASSETS
NON-BUSINESS ASSETS

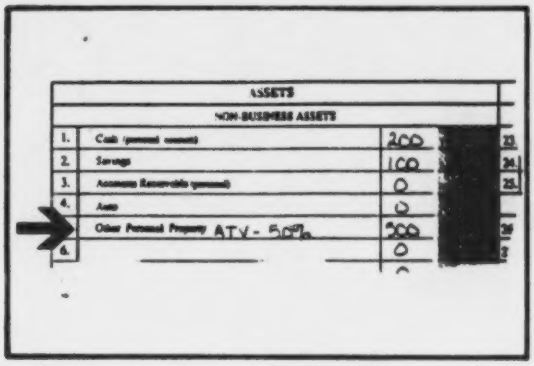
1.	Cash	200
2.	Savings	100
3.	Accounts Receivable (personal)	0
4.	Auto	0

5. You do not have a personal truck or car, so put a zero on line 4.



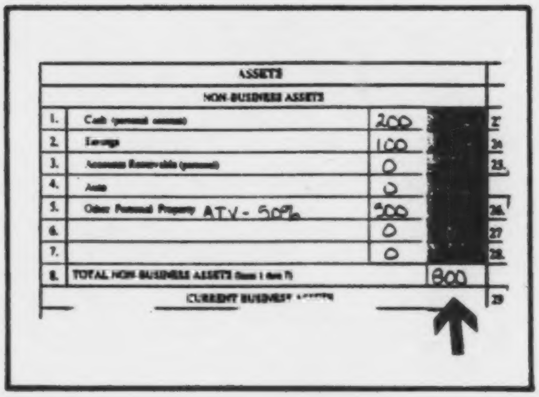
	ASSETS			
	NON-BUSINESS ASSETS			
1.	Cash (personal account)	200		23
2.	Savings	100		24
3.	Accounts Receivable (personal)	0		25
	Auto	0		
5.	Other Personal Property ATV - 5	500		26

6. You use the ATV half for business and half for personal. The ATV is worth $1,000. Half of that is $500, so write "$500" on line 5.



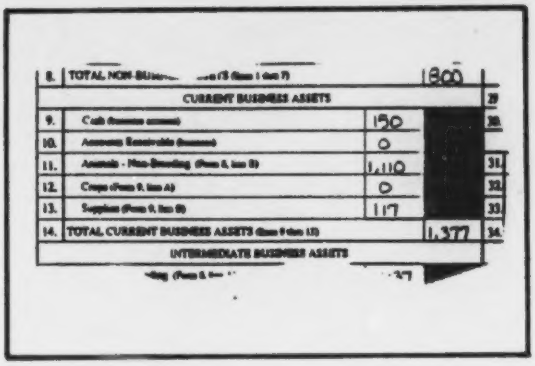
	ASSETS			
	NON-BUSINESS ASSETS			
1.	Cash (personal account)	200		23
2.	Savings	100		24
3.	Accounts Receivable (personal)	0		25
4.	Auto	0		
	Other Personal Property ATV - 50%	500		26
6.		0		27

7. Use line 8 to total your non-business assets. Total them and record the sum in the blank box under the blacked-out boxes. The reason totals are placed here is to keep them away from the other numbers. This will make it easier to add later.



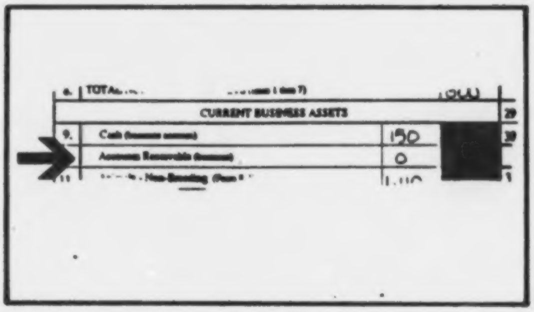
	ASSETS			
	NON-BUSINESS ASSETS			
1.	Cash (personal account)	200		23
2.	Savings	100		24
3.	Accounts Receivable (personal)	0		25
4.	Auto	0		
5.	Other Personal Property ATV - 50%	500		26
6.		0		27
7.		0		28
8.	TOTAL NON-BUSINESS ASSETS (lines 1 thru 7)		800	
	CURRENT BUSINESS ASSETS			29

8. Lines 9 through 14 are for recording current business assets. You have $150 cash in the business account, so write "$150" on line 9.



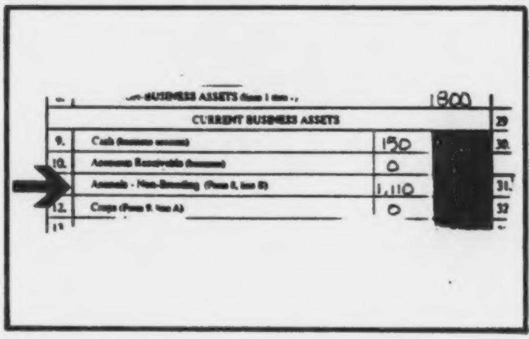
8.	TOTAL NON-BU...		1800	
	CURRENT BUSINESS ASSETS			29
9.	Cash	150		30.
10.	Accounts Receivable	0		
11.	Animals - Non-Breeding	1,110		31.
12.	Crops	0		32.
13.	Supplies	117		33.
14.	TOTAL CURRENT BUSINESS ASSETS		1,377	34.
	INTERMEDIATE BUSINESS ASSETS			

9. No one owes your business money, so put a zero on line 10.



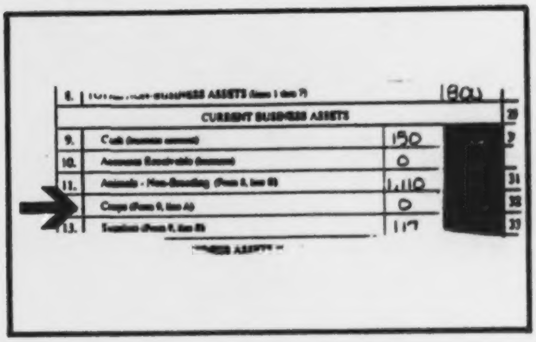
	CURRENT BUSINESS ASSETS		29
9.	Cash	150	30
10.	Accounts Receivable	0	
11.	- Non-Breeding	1,110	

10. Find line B on Form 8, which is the next-to-last line on the page. The total for Non-Breeding animals is $1,110. Put that number on Form 10, line 11.



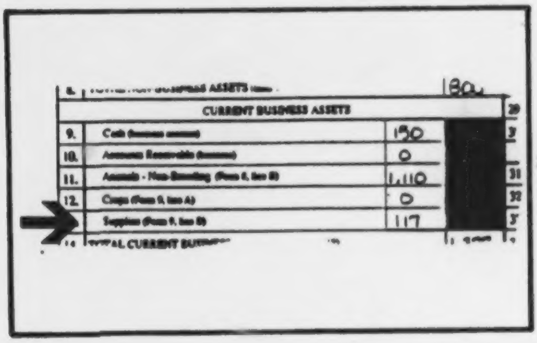
	BUSINESS ASSETS	1800	
	CURRENT BUSINESS ASSETS		29
9.	Cash	150	30.
10.	Accounts Receivable	0	
11.	Animals - Non-Breeding	1,110	31.
12.	Crops	0	32

11. Look at Form 9, line A. Because you had no crops, put a zero on Form 10, line 12.



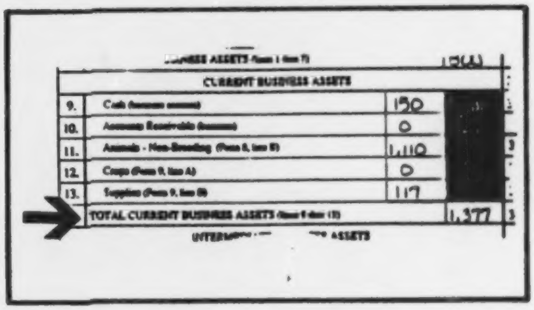
8.	[illegible] BUSINESS ASSETS [illegible]		180[illegible]
	CURRENT BUSINESS ASSETS		
9.	Cash [illegible]	150	
10.	Accounts Receivable [illegible]	0	
11.	Animals - Non-Breeding [illegible]	1,110	
	Crops [illegible]	0	
13.	Supplies [illegible]	117	

12. Find line B on Form 9. There were $117 in supplies. Copy that to Form 10, line 13.

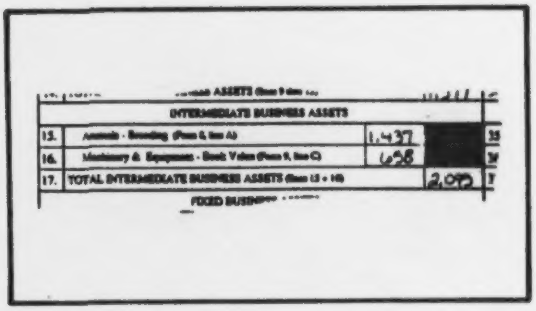


	CURRENT BUSINESS ASSETS		
9.	Cash [illegible]	150	
10.	Accounts Receivable [illegible]	0	
11.	Animals - Non-Breeding [illegible]	1,110	
12.	Crops [illegible]	0	
	Supplies [illegible]	117	

13. Line 14 is for the total of the current business assets. Add and write the sum in the blank under the blacked-out boxes.



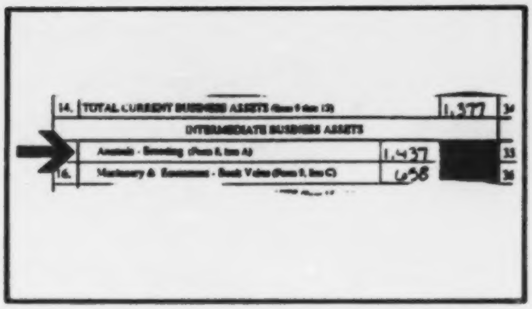
	CURRENT BUSINESS ASSETS		
9.	Cash [illegible]	150	
10.	Accounts Receivable [illegible]	0	
11.	Animals - Non-Breeding [illegible]	1,110	
12.	Crops [illegible]	0	
13.	Supplies [illegible]	117	
	TOTAL CURRENT BUSINESS ASSETS [illegible]		1,377



	INTERMEDIATE BUSINESS ASSETS		
15.	Animals - Breeding [illegible]	1,437	
16.	Machinery & Equipment - Book Value [illegible]	658	
17.	TOTAL INTERMEDIATE BUSINESS ASSETS [illegible]		2,095

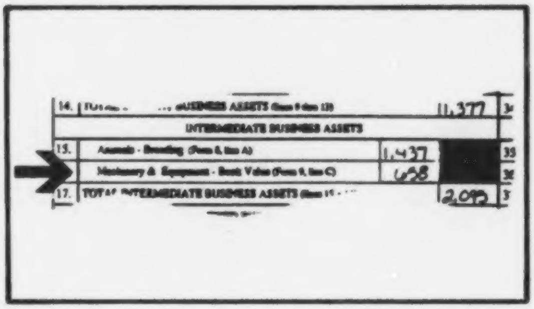
14. Lines 15 through 17 provide the space to record intermediate business assets. On Form 8, look

just below the middle of the page to find line A, which shows you had a total value of $1,437 in breeding animals. Transfer that number to Form 10, line 15.



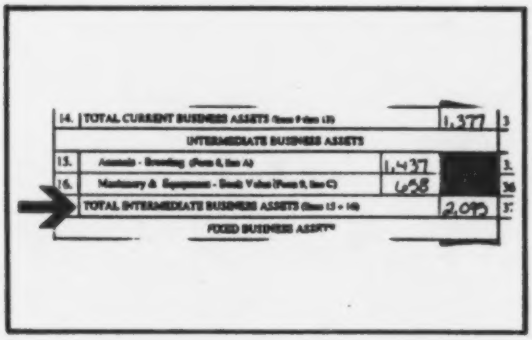
14.	TOTAL CURRENT BUSINESS ASSETS [illegible]		1,377
	INTERMEDIATE BUSINESS ASSETS		
	Animals - Breeding [illegible]	1,437	
16.	Machinery & Equipment - Book Value [illegible]	658	

15. Find line C on Form 9. It shows a total value of $658 for Machinery and Equipment. Put this number on line 16 (Form 10).



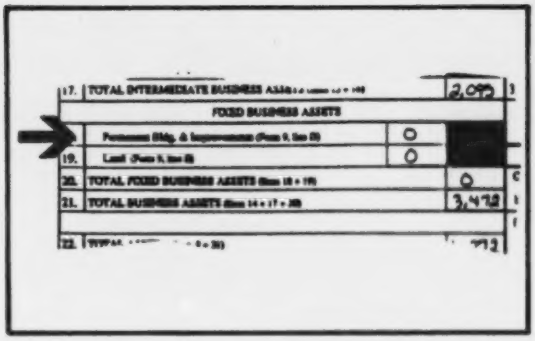
14.	[illegible] BUSINESS ASSETS [illegible]		1,377
	INTERMEDIATE BUSINESS ASSETS		
15.	Animals - Breeding [illegible]	1,437	
	Machinery & Equipment - Book Value [illegible]	658	
17.	[illegible] INTERMEDIATE BUSINESS ASSETS [illegible]		2,095

16. Total the intermediate business assets by adding lines 15 and 16. Write the sum in the blank box on line 17.



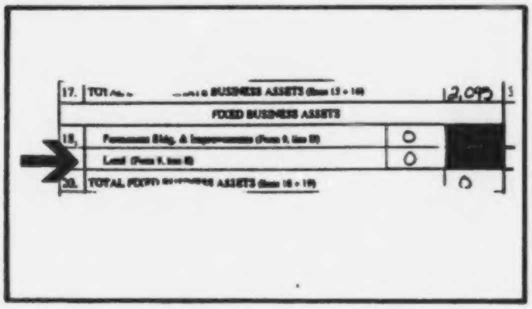
14.	TOTAL CURRENT BUSINESS ASSETS [illegible]		1,377
	INTERMEDIATE BUSINESS ASSETS		
15.	Animals - Breeding [illegible]	1,437	
16.	Machinery & Equipment - Book Value [illegible]	658	
	TOTAL INTERMEDIATE BUSINESS ASSETS [illegible]		2,095
	FIXED BUSINESS ASSETS		

17. Lines 18 through 20 allow you to show fixed business assets. Look at Form 9, line D. Because you do not own any permanent buildings or improvements, write a zero on Form 10, line 18.



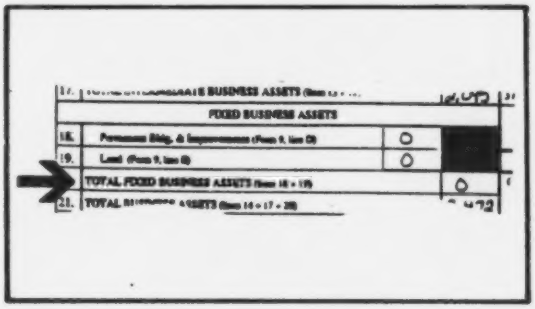
17.	TOTAL INTERMEDIATE BUSINESS [illegible]		2,095
	FIXED BUSINESS ASSETS		
	Permanent Bldg. & Improvements (Form 9, line D)	0	
19.	Land (Form 9, line E)	0	
20.	TOTAL FIXED BUSINESS ASSETS (lines 18 + 19)		0
21.	TOTAL BUSINESS ASSETS (lines 14 + 17 + 20)		3,472
22.	[illegible]		[illegible]

18. Form 9, line E shows you do not own any land, so put a zero on Form 10, line 19.



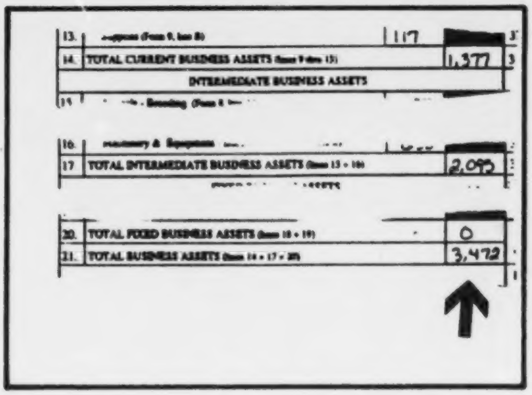
17.	[illegible] BUSINESS ASSETS [illegible]		2,095
	FIXED BUSINESS ASSETS		
18.	Permanent Bldg. & Improvements (Form 9, line D)	0	
	Land (Form 9, line E)	0	
20.	TOTAL FIXED [illegible] ASSETS (lines 18 + 19)		0

19. On Form 10, line 20, put a zero to show that when you add lines 18 and 19 (0 + 0), you get nothing.



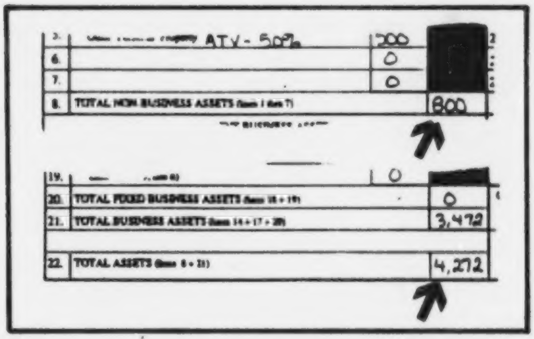
17.	[illegible] BUSINESS ASSETS [illegible]		[illegible]
	FIXED BUSINESS ASSETS		
18.	Permanent Bldg. & Improvements (Form 9, line D)	0	
19.	Land (Form 9, line E)	0	
	TOTAL FIXED BUSINESS ASSETS (lines 18 + 19)		0
21.	TOTAL [illegible] ASSETS (lines 14 + 17 + 20)		[illegible]

20. Line 21 is for total business assets. Now add total current business assets, intermediate business assets and fixed business assets to get the Total Business Assets (lines 14 + 17 + 20). **Do not add line 8 this time.** Write the answer on line 21.



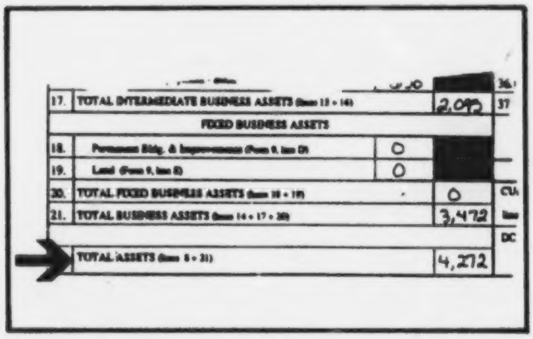
13.		117	
14.	TOTAL CURRENT BUSINESS ASSETS		1,377
	INTERMEDIATE BUSINESS ASSETS		
15.	Breeding		
16.	Machinery & Equipment		
17	TOTAL INTERMEDIATE BUSINESS ASSETS (lines 15 + 16)		2,095
20.	TOTAL FIXED BUSINESS ASSETS (lines 18 + 19)		0
21.	TOTAL BUSINESS ASSETS (lines 14 + 17 + 20)		3,472

21. Line 22 is for the total assets. This means you must join the total non-business assets (line 8) with the total business assets (line 21). To find the total assets, add lines 8 and 21.



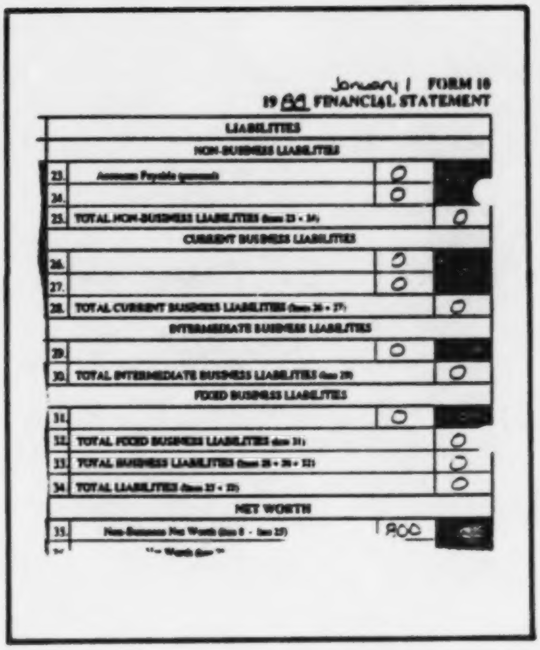
5.	ATV - 50%	200	
6.		0	
7.		0	
8.	TOTAL NON BUSINESS ASSETS		800
19.		0	
20.	TOTAL FIXED BUSINESS ASSETS (lines 18 + 19)		0
21.	TOTAL BUSINESS ASSETS (lines 14 + 17 + 20)		3,472
22.	TOTAL ASSETS (lines 8 + 21)		4,272

21. Put the answer in the blank box on line 22.



17.	TOTAL INTERMEDIATE BUSINESS ASSETS		2,095
	FIXED BUSINESS ASSETS		
18.	Permanent Bldg. & Improvements	0	
19.	Land	0	
20.	TOTAL FIXED BUSINESS ASSETS (lines 18 + 19)		0
21.	TOTAL BUSINESS ASSETS (lines 14 + 17 + 20)		3,472
	TOTAL ASSETS (lines 8 + 21)		4,272

NOTE: Because there are no liabilities, put zeroes on lines 23 through 34.



January 1 FORM 10
19 84 FINANCIAL STATEMENT

	LIABILITIES		
	NON-BUSINESS LIABILITIES		
23.	Accounts Payable (personal)	0	
24.		0	
25.	TOTAL NON-BUSINESS LIABILITIES (lines 23 + 24)		0
	CURRENT BUSINESS LIABILITIES		
26.		0	
27.		0	
28.	TOTAL CURRENT BUSINESS LIABILITIES (lines 26 + 27)		0
	INTERMEDIATE BUSINESS LIABILITIES		
29.		0	
30.	TOTAL INTERMEDIATE BUSINESS LIABILITIES (line 29)		0
	FIXED BUSINESS LIABILITIES		
31.		0	
32.	TOTAL FIXED BUSINESS LIABILITIES (line 31)		0
33.	TOTAL BUSINESS LIABILITIES (lines 28 + 30 + 32)		0
34.	TOTAL LIABILITIES (lines 25 + 33)		0
	NET WORTH		
35.	Non-Business Net Worth (line 8 - line 25)	900	

22. Non-business liabilities go on lines 23 through 25.

23. Current business liabilities go on lines 26 through 28.

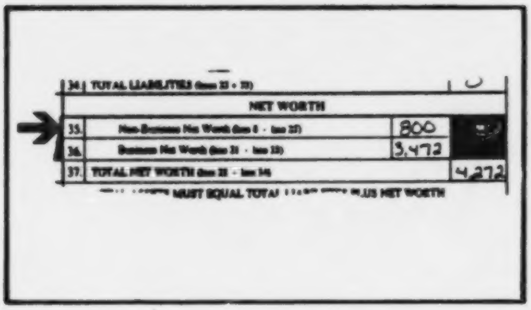
24. Intermediate business liabilities go on lines 29 and 30.

25. Fixed business liabilities go on lines 31 and 32.

240

26. The business liabilities total goes on line 33. The liabilities total (non-business + business liabilities) goes on line 34.

27. Lines 35 through 37 are for recording net worth. To find the Non-Business Net Worth, subtract the liabilities from the assets (line 8 minus line 25 on this form). That would be $800 - $0 = $800. Put "$800" on line 35.

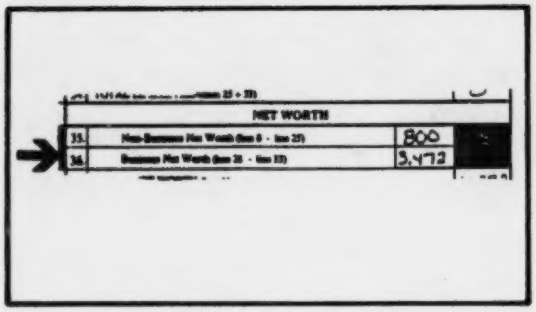


34.	TOTAL LIABILITIES [illegible]		0
	NET WORTH		
35.	[illegible]	800	
36.	[illegible]	3,472	
37.	TOTAL NET WORTH [illegible]		4,272

[illegible] MUST EQUAL TOTAL [illegible] PLUS NET WORTH

28. You find Business Net Worth by subtracting the total business liabilities from the total business

assets (line 21 minus line 33). That would be $3,472 - $0 = $3,472. Put "$3,472" on line 36.

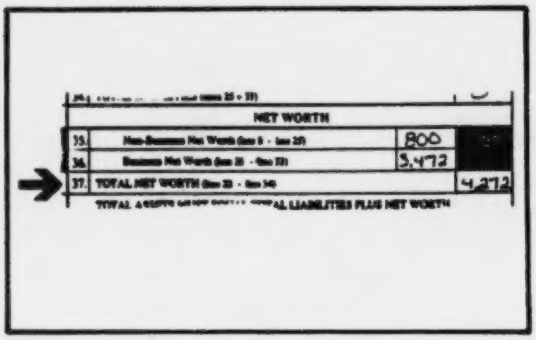


NET WORTH

35. 800

36. 3,472

29. To find Total Net Worth, add lines 22 and 34. Put the sum on line 37.



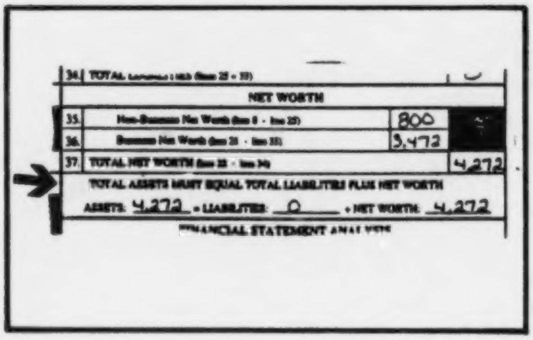
NET WORTH

35. 800

36. 3,472

37. TOTAL NET WORTH 4,272

30. To check your figures, write down the Total Assets (line 22), the Total Liabilities (line 34) and the Total Net Worth (line 37). Add lines 34 and 37. Total Liabilities + Total Net Worth should equal Total Assets.



NET WORTH

35. 800

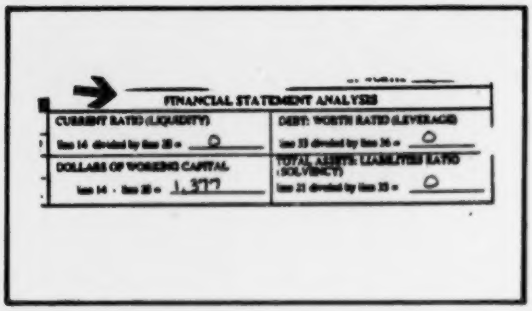
36. 3,472

37. TOTAL NET WORTH 4,272

TOTAL ASSETS MUST EQUAL TOTAL LIABILITIES PLUS NET WORTH

ASSETS: 4,272 = LIABILITIES: 0 + NET WORTH: 4,272

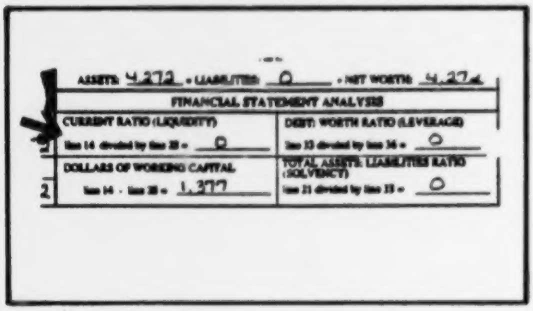
31. Financial Statement Analysis (last four boxes) is found in four steps.



FINANCIAL STATEMENT ANALYSIS

CURRENT RATIO (LIQUIDITY)	DEBT: WORTH RATIO (LEVERAGE)
line 14 divided by line 28 = 0	line 33 divided by line 36 = 0
DOLLARS OF WORKING CAPITAL line 14 - line 28 = 1,377	TOTAL ASSETS: LIABILITIES RATIO (SOLVENCY) line 21 divided by line 33 = 0

Step 1: Find the Liquidity (ability to pay all debts). Divide the total business assets by the total business liabilities (line 14 by line 28). Write it in the blank.



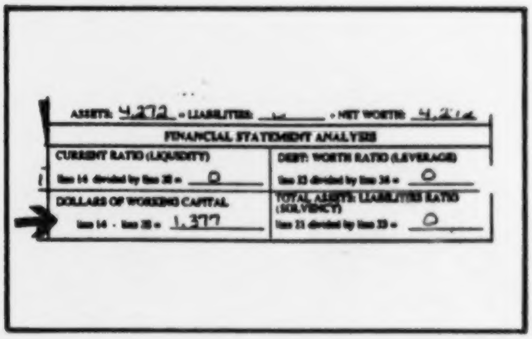
ASSETS: 4,272 − LIABILITIES: 0 = NET WORTH: 4,27

FINANCIAL STATEMENT ANALYSIS

CURRENT RATIO (LIQUIDITY)	DEBT: WORTH RATIO (LEVERAGE)
line 14 divided by line 28 = 0	line 33 divided by line 36 = 0
DOLLARS OF WORKING CAPITAL line 14 - line 28 = 1,377	TOTAL ASSETS: LIABILITIES RATIO (SOLVENCY) line 21 divided by line 33 = 0

NOTE: The rule for dividing is: the number in all, divided by the number in each group, equals the number of groups, so 117 divided by 0 = 0

Step 2: Find the Dollars of Working Capital by subtracting line 28 from line 14. Record the answer in the blank.

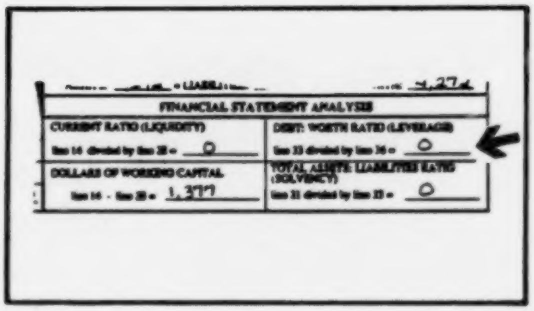


ASSETS: 4,272 − LIABILITIES: — = NET WORTH: 4,2

FINANCIAL STATEMENT ANALYSIS

CURRENT RATIO (LIQUIDITY)	DEBT: WORTH RATIO (LEVERAGE)
line 14 divided by line 28 = 0	line 33 divided by line 36 = 0
DOLLARS OF WORKING CAPITAL line 14 - line 28 = 1,377	TOTAL ASSETS: LIABILITIES RATIO (SOLVENCY) line 21 divided by line 33 = 0

Step 3: Leverage (debt: worth) is found by dividing line 33 by line 36. Put a zero in the blank.



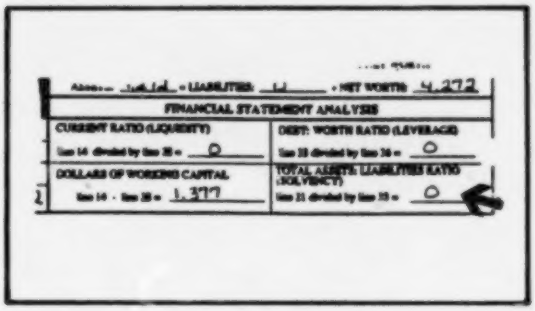
LIABILITIES 4,272

FINANCIAL STATEMENT ANALYSIS

CURRENT RATIO (LIQUIDITY) line 16 divided by line [illegible] = 0	DEBT: WORTH RATIO (LEVERAGE) line 33 divided by line 36 = 0
DOLLARS OF WORKING CAPITAL line 16 - line [illegible] = 1,377	TOTAL ASSETS: LIABILITIES RATIO (SOLVENCY) line 21 divided by line 33 = 0

NOTE: Anytime you divide by zero, the answer will be zero.

Step 4: To find the Solvency (ratio of assets to liabilities), divide line 21 by line 33. The answer will be zero also. Record that in the blank.



ASSETS = LIABILITIES + NET WORTH 4,272

FINANCIAL STATEMENT ANALYSIS

CURRENT RATIO (LIQUIDITY) line 16 divided by line [illegible] = 0	DEBT: WORTH RATIO (LEVERAGE) line 33 divided by line 36 = 0
DOLLARS OF WORKING CAPITAL line 16 - line [illegible] = 1,377	TOTAL ASSETS: LIABILITIES RATIO (SOLVENCY) line 21 divided by line 33 = 0

DO ACTIVITY SHEET 1

FINANCIAL STATEMENT

ACTIVITY SHEET 1

Directions: You need:

1. The Sample Entries for the Missouri Agruicultural Recaord Book for Secondary Students.
2. Form 8-Inventory of Livestock/Animals
3. Form 9-Inventory of Crops, Supplies, Machinery, Buildings and Land
4. Form 10-Financial Statement

Complete Form 10 for the end of the year.

Sample Entry: **End of Year:**

Non-Business Assets: Cash = $463
Savings = $160
Other Personal Property (ATV - 50%) = $500
Current Business Assets: Cash = $3,309
No Non-Business Liabilities

1. At the top of Form 10 - Financial Statement, write "December 31, 1988."
2. Using the information from the sample entries sheet, fill in the non-business assets information in lines 1 through 8. The total (line 8) should be $1,069.
3. Fill in the Current Business Assets. Use lines 9 through 14. The answer for the total (line 14) should be $4,257.

4. Transfer Intermediate Business Assets from Forms 8 and 9. Use lines 15 through 17. The total for line 17 should be $1919.

5. Fixed Business Assets are found on Form 9. Put the information on lines 18 through 20. The total for line 20 is zero.

6. Add the Total Business Assets. Do not include the Non-Business Assets. The total for line 21 should be $6,176.

7. Total Assets, when you add Total Non-Business and Total Business Assets, will be $7,245 on line 22.

8. Non-Business Liabilities are found in the sample entries. They equal zero; so the total on line 28 will be zero.

9. Record the Intermediate Business Liabilities (you still owe Easy Bank $375 from what you borrowed). The total for line 30 will be $375.

10. The Fixed Business Liabilities, lines 31 and 32, is zero.

11. Add the three lines requested to get the Total Business Liabilities. Be sure to leave out Total Non-business Liabilities. The answer for line 33 is $375.

12. Add lines 25 and 26. The answer gives you the Total Liabilities. Line 34 should be $375.

13. Figure the Non-Business net worth. The form tells which lines to use and to subtract. Put the answer on line 35.

14. Find the Business Net Worth by following the directions on the form. It tells the lines to subtract.

15. To find the Total Net Worth, take the Total Assets, line 22, and subtract the Total Liabilities, line 34. The answer should be $6,870. Write it on line 37.

    (Adding lines 35 and 36 should give you the same answer.)

16. You can also check by following the directions in the next box on the form. Did you find the Assets, ($7,245) and the Liabilities ($375), and the Net Worth ($6,870)? Check to see if Liabilities plus Net Worth equals the Assets.

17. Work the problem for Liquidity. Did you get zero?

18. Find the Dollars of Working Capital. Did you get $4,257?

19. Follow the directions to figure the Debt to Worth Ratio or Leverage. Did you get .06? It is written .06:1. You read it, "six-hundredths to one."

20. Figure the Total Assets to Liabilities Ratio or Solvency. Did you get 16.5? It is written 16.5:1. You read it, "16 and five-tenths to one."

Wow! You did it!

FINANCIAL STATEMENT

LESSON TEST

Directions: Circle the best answer that completes the sentences below.

1. A financial statement
   - a. provides an overview of the financial status of a business at a given time.
   - b. is usually required before a lender will loan money or provide credit.
   - c. is done on Form 10.
   - d. a, b and c are correct.

2. Current liabilities are debts payable
   - a. within one year.
   - b. within one to ten years.
   - c. over a period of more than ten years.
   - d. none of the above

3. Intermediate liabilities are debts payable
   - a. within one year.
   - b. within one to ten years.
   - c. over a period of more than ten years.
   - d. none of the above

4. Fixed liabilities are debts payable
   - a. within one year.
   - b. within one to ten years.
   - c. over a period of more than ten years.
   - d. none of the above

5. Both Non-business Liabilities and Non-business Assets involve
   a. items used in the business.
   b. personal items not used in the business.
   c. a and b are correct
   d. none of the above

6. Current assets can usually be used for
   a. one year or less.
   b. one to 10 years.
   c. more than 10 years.
   d. none of the above

7. Intermediate assets can usually be used for
   a. one year or less.
   b. one to 10 years.
   c. more than 10 years.
   d. none of the above

8. Fixed assets can usually be used for
   a. one year or less.
   b. one to 10 years.
   c. more than 10 years.
   d. none of the above

FINANCIAL STATEMENT
PERFORMANCE CHECKLIST

Student ______________________ successfully performed the following tasks:

	YES	NO	COMMENTS
1. Explained the three types of liabilities			
2. Explained the four types of assets			
3. Told what forms are used for "non-business" assets, business assets and business liabilities			
4. Gave examples of "non-business" assets, business assets and business liabilities			
5. Showed how "market value" is determined for non-business and business assets			

Satisfactory - should move on ☐
Should repeat this unit ☐

____
Student's Signature/Date

____
Instructor's Signature/Date

Supplementary Units 90-1000-S

Agricultural Record Keeping

Business Agreements

AGRICULTURAL EDUCATION
FFA
SAE

MISSOURI AGRICULTURAL EDUCATION

Instructional Materials Laboratory, University of Missouri-Columbia, Columbia, Missouri

BUSINESS AGREEMENTS

INTRODUCTION

A business agreement is a written contract. It is a signed record of an understanding between people. Business agreements are written and signed to make sure all the people involved remember what they agreed to do. All parties should have a copy of the business agreement. All the information must be accurate and clear. Make sure all those who will sign it understand the entire agreement before they sign it.

LESSON OBJECTIVE

After you complete this lesson, you should be able to understand business agreements.

STUDY QUESTIONS

After you complete this lesson, you should be able to answer the following questions:

1. What is a business agreement?
2. Why are business agreements important?
3. What are the types of business agreements?
4. Which form's are used for business agreements?

Put a check beside the statement that is true for you.

☐ **I can do these tasks and want to go through the Performance Checklist.**

SEE YOUR INSTRUCTOR

☐ **I want to study the information in this unit before I do the Performance Checklist.**

TURN PAGE AND BEGIN

A. TERMS

1. **Capital** - money or property owned or used in a business.
2. **Co-signer** - another person, usually an adult, who signs a mortgage or agreement and promises to pay the debt if the original signer cannot pay.
3. **Enterprise** - a business or big undertaking, such as an agriculture business.
4. **Facilities** - the buildings used for business activity, such as barns or sheds.
5. **Parties** - persons who sign a contract or legal agreement.

B. BUSINESS AGREEMENTS AND THEIR IMPORTANCE

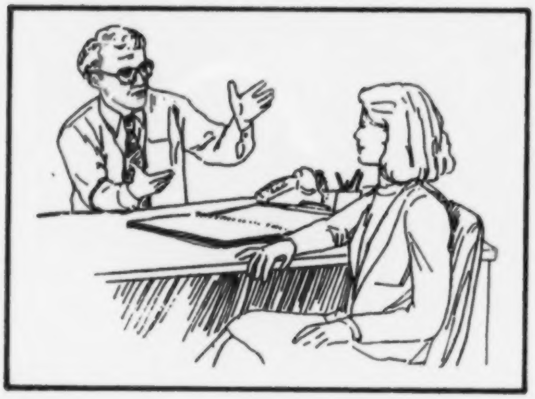
A business agreement is a contract. It spells out the business activities and financial responsibilities of everyone who has a part in the project. Everyone involved in the project signs the agreement. It should tell clearly:

1. The type of project.
2. How long the project will take.
3. The services and/or equipment to be furnished by each party.
4. The profit shares for each party (usually written as a percentage).
5. Any other important information that will prevent misunderstandings.

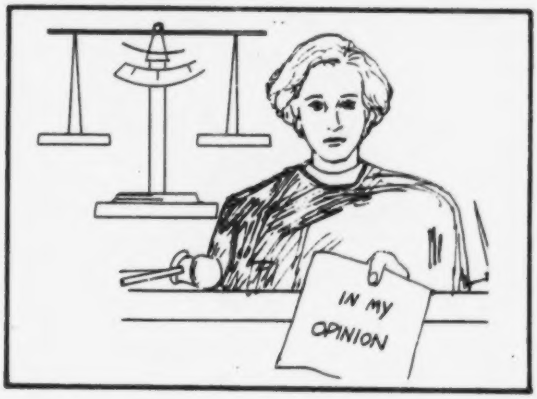
Business agreements are important because:

1. **They help organize the business arrangements in the mind of the project manager.** A written record makes it easier to see how the project will fit together. The project manager can review such things as whose land, equipment, or facilities will be used and what profits will be shared.

2. **They help make the information clear to all people involved.** When an agreement is in writing, there is less chance of misunderstandings between parties. They can ask questions to clarify the agreement when it is written. They can review the arrangements if they forget something.



3. **In case of a disagreement, they record exactly what each party originally agreed to do.** If a disagreement occurs later, a person with no connection to the agreement can decide what the document intended. This is why the wording of the agreement should be clear and complete.



DO SKILL SHEETS 1 & 2

DO ACTIVITY SHEET 1

BUSINESS AGREEMENTS

SKILL SHEET 1

Directions: Put a "T" in front of statements that are true. Put an "F" in front of statements that are false.

___ 1. A business agreement is a set of notes from the first informal discussion about an agribusiness project.

___ 2. In a business agreement is a contract, a written legal document.

___ 3. The business agreement doesn't need much detail. It just needs the names of all the people who will be working on the project in any way.

___ 4. Services furnished by each party should be explained in the business agreement so each party understands exactly what is expected.

___ 5. The agreement should clearly state who will furnish the equipment for the project.

___ 6. The share of profit each person is to get should be spelled out and written down.

___ 7. Agreements should be in writing to prevent misunderstandings.

___ 8. The agreement should tell how long it will take to complete the project.

___ 9. A written agreement is important because it makes it easy for everyone to see how the project will fit together.

___10. If a disagreement occurs later, a written agreement makes it possible for a third party to decide what the contract intended.

BUSINESS AGREEMENTS

SKILL SHEET 2

Directions: Put the letter of the word (or words) that match(es) each numbered explanation in the blank before the number.

____ 1. This makes planning for a business easier.

____ 2. Writing information down provides less chance of having this.

____ 3. If there are disagreements later, the documents can be used for this.

____ 4. An agreement should be written this way.

____ 5. A written agreement helps people do this.

____ 6. Written agreements should show the percentage of this each person gets.

a. Legal purposes

b. Misunderstanding

c. Writing information down

d. Remember

e. Profit

f. Simple & clear

BUSINESS AGREEMENTS

ACTIVITY SHEET 1

Directions: Write a business agreement for raising a litter of pigs. Follow the directions below. An example is given in quotation marks, but you must make up your own details. Make it plain and simple, but cover all the information. Feel free to look back at the previous section if you need to.

1. Describe the project: "raise a litter of pigs until they are three months old."

2. Tell how long it will take: "from breeding until the pigs are three months old."

3. Describe what you will furnish for the business: "the work, feed and medicine."

4. List what the other people will furnish: "Dad will furnish the sow, the barn and lot and the utilities."

5. Write the profits you will make: "one half of the pigs when they are three months old."

6. Write the profits the other people will make: "Dad will get one half of the pigs when they are three months old."

7. Include other agreements: "by doing 50 hours of labor for Dad, I will own the sow," or "Mom will co-sign for credit to purchase supplies."

C. THE TYPES OF BUSINESS AGREEMENTS

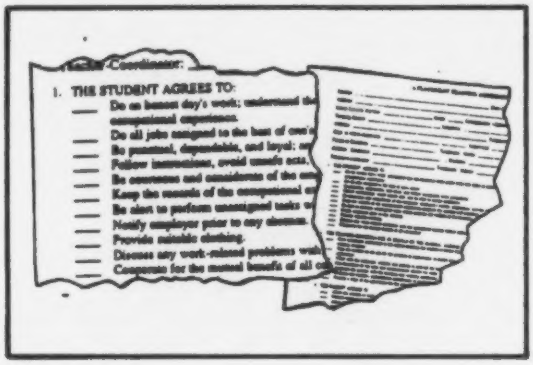
For the purposes of the Supervised Agricultural Experience (SAE), there are two types of business agreements:

1. **Ownership** Business Agreement
2. **Placement** Training Agreement

1. The **Ownership Business Agreement** is one that involves risk. You invest your money or money you borrow. You hope to make money on your livestock, crop, etc. But you risk losing that money. An ownership agreement must include information such as: Where you will keep your livestock. How you will provide food for them. Which buildings will be used to house them. Who will be financially responsible. Payment for rent on buildings and land, payment for the

equipment to be used, and exchanges of labor should be written in the agreement.

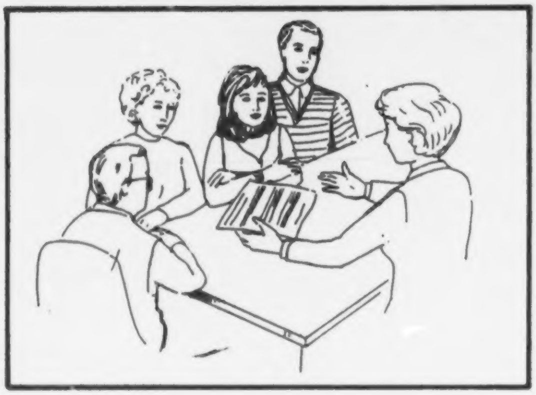
2. The **Placement Training Agreement** involves working for wages or for experience. The skills you will gain from the placement training are written out. A placement agreement explains what each person involved in the SAE promises to do. It includes a checklist for everyone to read, mark and sign. Each person should read the entire agreement to understand his or her responsibility.



Coordinator:

1. THE STUDENT AGREES TO:

Provide suitable clothing.



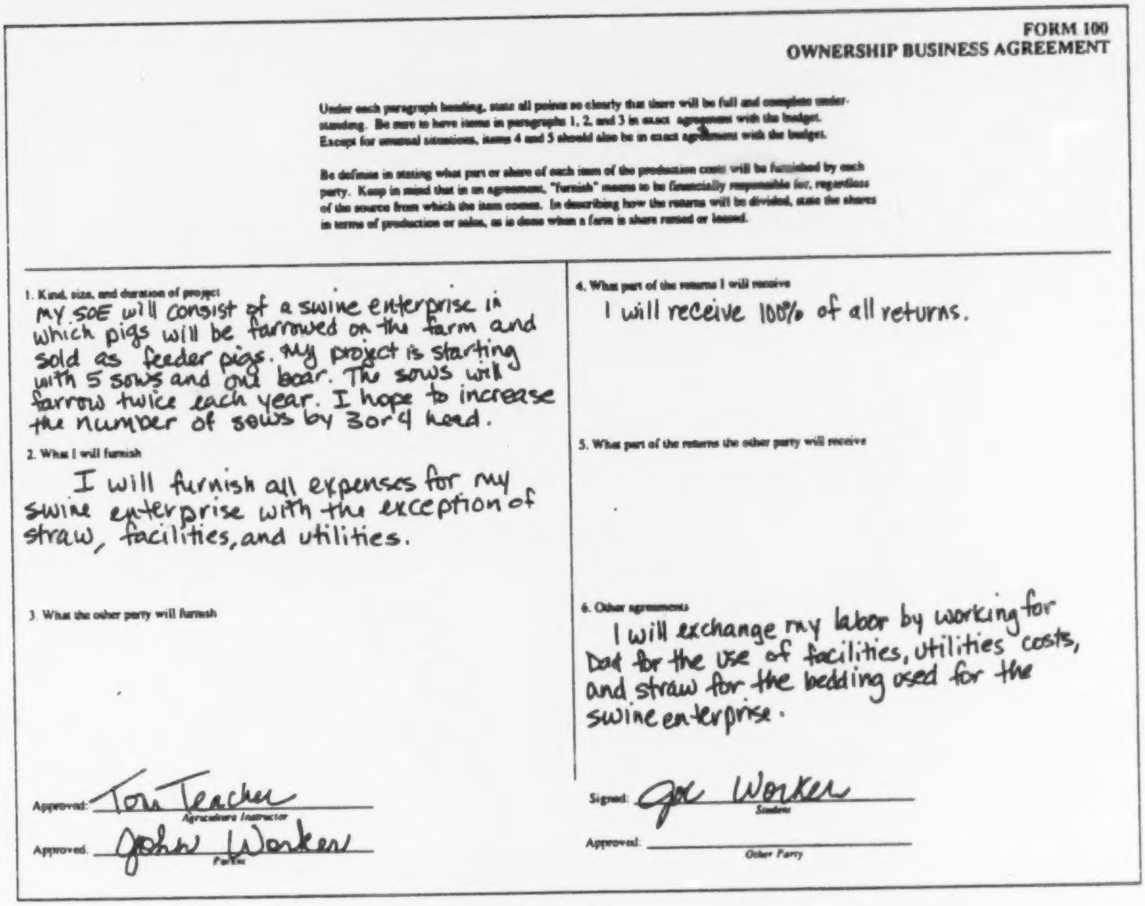
Four people are involved in the placement training agreement: the

- a. student
- b. teacher-coordinator
- c. parent
- d. other party (often the employer)

All parties read, agree and sign the document.

Ownership Business Agreements

use Form 100, which is white.



FORM 100
OWNERSHIP BUSINESS AGREEMENT

Under each paragraph heading, state all points so clearly that there will be full and complete understanding. Be sure to have items in paragraphs 1, 2, and 3 in exact agreement with the budget. Except for unusual situations, items 4 and 5 should also be in exact agreement with the budget.

Be definite in stating what part or share of each item of the production costs will be furnished by each party. Keep in mind that in an agreement, "furnish" means to be financially responsible for, regardless of the source from which the item comes. In describing how the returns will be divided, state the shares in terms of production or sales, as is done when a farm is share rented or leased.

1. Kind, size, and duration of project

My SOE will consist of a swine enterprise in which pigs will be farrowed on the farm and sold as feeder pigs. My project is starting with 5 sows and one boar. The sows will farrow twice each year. I hope to increase the number of sows by 3 or 4 head.

2. What I will furnish

I will furnish all expenses for my swine enterprise with the exception of straw, facilities, and utilities.

3. What the other party will furnish

4. What part of the returns I will receive

I will receive 100% of all returns.

5. What part of the returns the other party will receive

6. Other agreements

I will exchange my labor by working for Dad for the use of facilities, utilities costs, and straw for the bedding used for the swine enterprise.

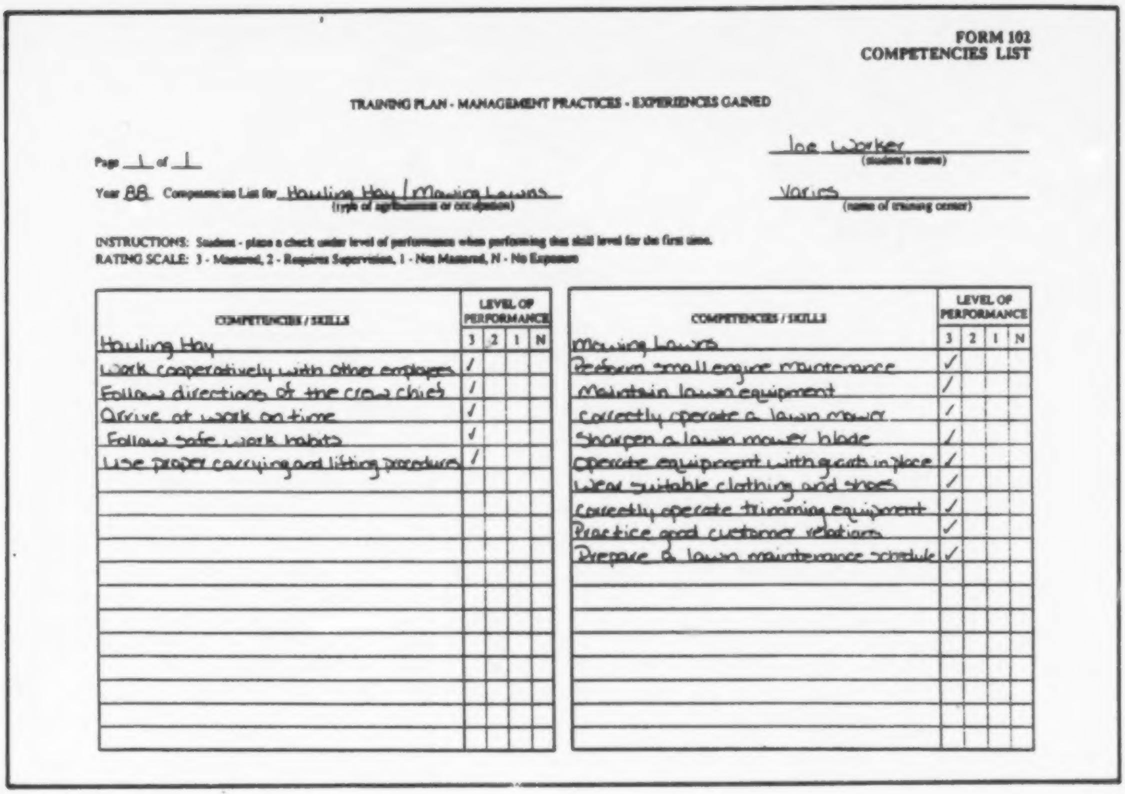
Approved: Tom Teacher
Agriculture Instructor

Approved: John Worker
Parent

Signed: Joe Worker
Student

Approved: ______________________
Other Party

- Placement Business Agreements use Form 101, which is on the back of Form 100 and is also white.



FORM 102
COMPETENCIES LIST

TRAINING PLAN - MANAGEMENT PRACTICES - EXPERIENCES GAINED

Page 1 of 1
Year 88 Competencies List for Hauling Hay / Mowing Lawns (type of agribusiness or occupation)

Joe Worker (student's name)
Varies (name of training center)

INSTRUCTIONS: Student - place a check under level of performance when performing this skill level for the first time.
RATING SCALE: 3 - Mastered, 2 - Requires Supervision, 1 - Not Mastered, N - No Exposure

COMPETENCIES / SKILLS	LEVEL OF PERFORMANCE			
Hauling Hay	3	2	1	N
Work cooperatively with other employees	✓			
Follow directions of the crew chief	✓			
Arrive at work on time	✓			
Follow safe work habits	✓			
Use proper carrying and lifting procedures	✓			

COMPETENCIES / SKILLS	LEVEL OF PERFORMANCE			
Mowing Lawns	3	2	1	N
Perform small engine maintenance	✓			
Maintain lawn equipment	✓			
Correctly operate a lawn mower	✓			
Sharpen a lawn mower blade	✓			
Operate equipment with guards in place	✓			
Wear suitable clothing and shoes	✓			
Correctly operate trimming equipment	✓			
Practice good customer relations	✓			
Prepare a lawn maintenance schedule	✓			

- **DO SKILL SHEET 3**

BUSINESS AGREEMENTS

SKILL SHEET 3

Directions: Circle the answer that best completes each statement or answers each question below.

1. The agriculture work program is called the
   - a. agriculture work program
   - b. farm agreement
   - c. supervised agriculture b. experience
   - d. student project

2. A placement training agreement involves
   - a. working for wages or experience
   - b. raising animals
   - c. risk taking
   - d. driving a car

3. The ownership business agreement involves
   - a. working for wages or experience
   - b. raising animals
   - c. risk taking
   - d. driving a car

4. Who should sign the ownership business agreement?
   - a. student
   - b. teacher/coordinator
   - c. parent
   - d. all of the above

5. The placement training agreement includes

a. a list of skills you should learn

b. the name of your school principal

c. the percent of profit for each person

d. all of the above

6. Who needs to read the SAE agreement carefully before signing it?

a. student

b. student's entire family

c. school principal

d. anyone involved in the project

BUSINESS AGREEMENTS

LESSON TEST

Directions: Follow the directions below.

1. Name five things a business agreement should include.

(1)____

(2)____

(3)____

(4)____

(5)____

2. Give three reasons why a business agreement is important.

(1)____

(2)____

(3)____

3. Name two types of business agreements.

(1)____

(2)____

BUSINESS AGREEMENTS

PERFORMANCE CHECKLIST

Student ______________________ successfully performed the following tasks:

	YES	NO	COMMENTS
1. Explained what a business agreement is			
2. Told why a business agreement is important			
3. Named the types of business agreements			
4. Identified the forms used for each business agreement			

Satisfactory - should move on ☐
Should repeat this unit ☐

____
Student's Signature/Date

____
Instructor's Signature/Date

Supplementary Units 90-1000-S

Agricultural Record Keeping

Ownership Business Agreements

AGRICULTURAL EDUCATION
FFA
SAE

MISSOURI AGRICULTURAL EDUCATION

IML

Instructional Materials Laboratory, University of Missouri-Columbia, Columbia, Missouri

OWNERSHIP BUSINESS AGREEMENTS

INTRODUCTION

The Ownership Business Agreement is a contract that explains the terms of a business or project. All parties concerned in the Supervised Agricultural Experience (SAE) agree and sign the document. After the agreement is signed, it becomes a binding contract. It should be short, simple and complete.

LESSON OBJECTIVE

After you complete this lesson, you should be able to accurately write an Ownership Business Agreement.

STUDY QUESTIONS

After you complete this lesson, you should be able to answer the following questions.

1. What form do you use for Ownership Business Agreements?
2. Who is involved in developing an Ownership Business Agreement?
3. Who signs the Ownership Business Agreement form?

4. Why is a signed Ownership Business Agreement important?

5. What information is entered under the six sections of the form?

Put a check beside the statement that is true for you.

☐ **I can do these tasks and want to go through the Performance Checklist.**

SEE YOUR INSTRUCTOR

☐ **I want to study the information in this unit before I do the Performance Checklist.**

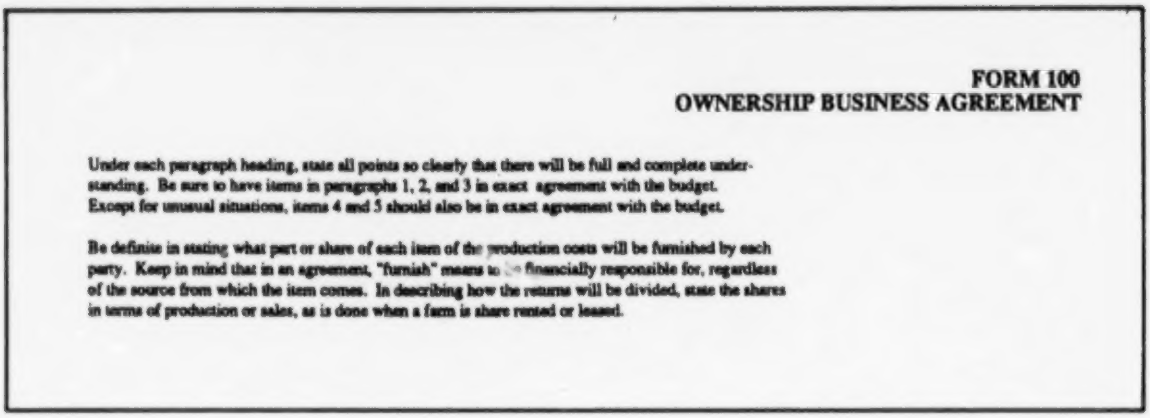
TURN PAGE AND BEGIN

A. TERMS

1. **Duration** - the length of time it takes from start to finish of a project.
2. **Furnish** - to provide. When you "furnish" an item in an agreement, you provide it as your part of the bargain.
3. **Returns** - money, services or other items of value.

B. OWNERSHIP BUSINESS AGREEMENTS

The Ownership Business Agreement form is Form 100. It is white. There are directions at the top of the page.

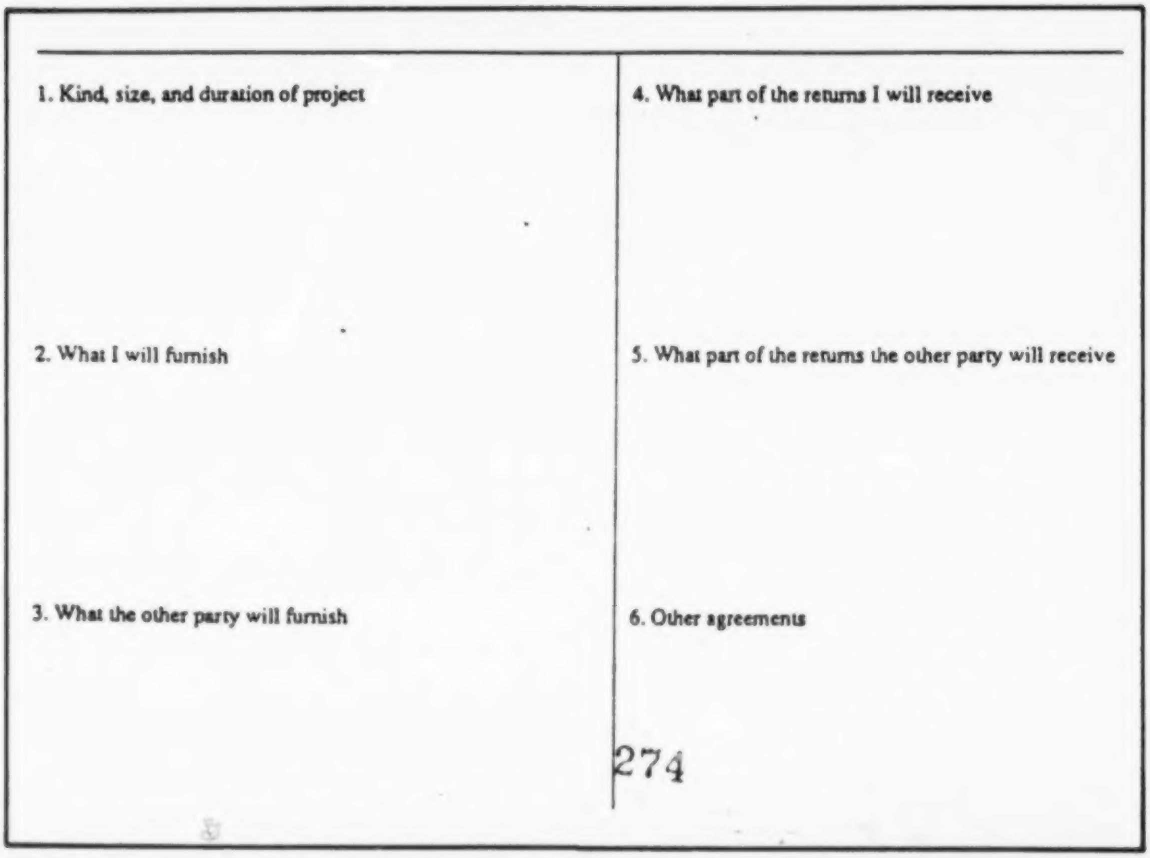


FORM 100
OWNERSHIP BUSINESS AGREEMENT

Under each paragraph heading, state all points so clearly that there will be full and complete understanding. Be sure to have items in paragraphs 1, 2, and 3 in exact agreement with the budget. Except for unusual situations, items 4 and 5 should also be in exact agreement with the budget.

Be definite in stating what part or share of each item of the production costs will be furnished by each party. Keep in mind that in an agreement, "furnish" means to be financially responsible for, regardless of the source from which the item comes. In describing how the returns will be divided, state the shares in terms of production or sales, as is done when a farm is share rented or leased.

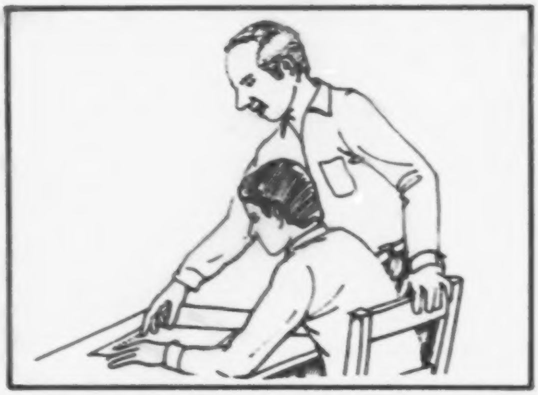
There are six sections to complete.



1. Kind, size, and duration of project	4. What part of the returns I will receive
2. What I will furnish	5. What part of the returns the other party will receive
3. What the other party will furnish	6. Other agreements

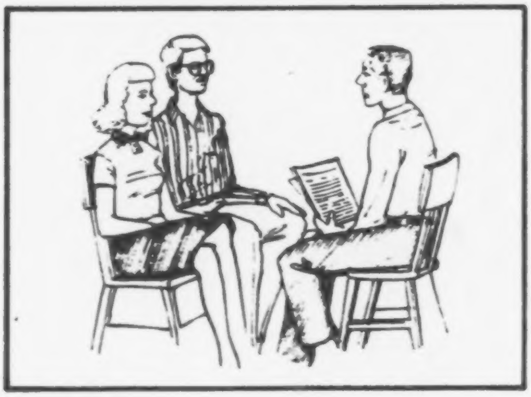
At the bottom of the page, there are lines for four signatures. The four people who sign it are the: **(1) agriculture instructor, (2) parent, (3) student** and **(4) other party.**

C. PARTIES TO AN OWNERSHIP AGREEMENT

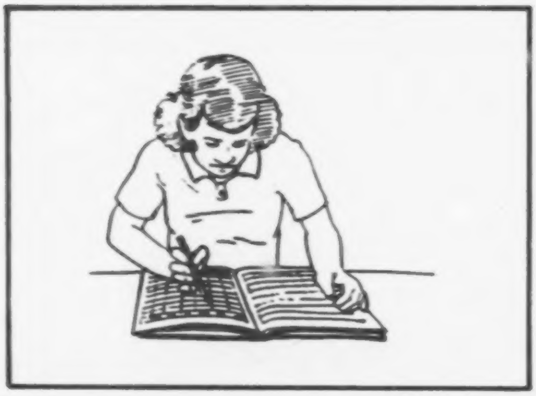


1. The **agriculture instructor** will supervise students through their projects by helping them plan and by giving advice and support. In addition to providing record-keeping forms and showing the students how to keep records, the instructor will visit each project and report in writing on the student's progress.

2. The **parent(s)** will be informed about the project. They will know the arrangements and agreements of all parties. Parents often provide financial assistance or items for exchange of labor. Any assistance the parents will provide should be written in the ownership agreement.



3. The **student** will develop a plan and keep accurate records of the business. The student will see that the records for the Ownership Business Agreement are consistent with the planned budget.



4. The **other party** is anyone who provides an opportunity or financial assistance for the project. That party is made aware of the entire plan.

D. REASONS FOR A SIGNED OWNERSHIP AGREEMENT

The four parties sign the Ownership Business Agreement so that:

1. Each person can see what each other person has agreed to be responsible for.

2. There will be fewer misunderstandings.

3. Later, each person can remember what he or she agreed to do or supply.

4. In case there is a misunderstanding, someone else can refer to the written agreement when resolving the problem.

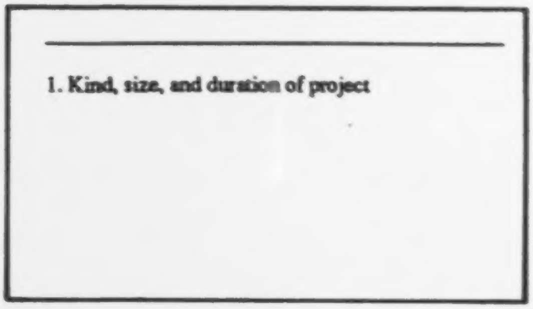
IN MY OPINION

5. When it is signed, the Ownership Business Agreement becomes a binding contract.

E. INFORMATION IN THE SIX SECTIONS OF THE BUSINESS OWNERSHIP AGREEMENT

What sorts of items do you enter under the six parts of the form? Below are three examples of how to fill out form 100.

1. Look at Form 100. Number one says, "Kind, size, and duration of project."


1. Kind, size, and duration of project

EXAMPLE 1: "Raise 50 feeder pigs for five months"

1. Kind, size, and duration of project

Raise 50 feeder pigs for 5 months.

EXAMPLE 2: "Grow one acre of sweet corn for market from May through August"

Grow one acre of sweet corn for market from May through August.

EXAMPLE 3: "Raise show rabbits from five does and one buck for nine months"

Raise show rabbits from 5 does and 1 buck for 9 months.

2. Number two says, "What I will furnish."

EXAMPLE 1: "Money for the pigs and labor for their daily care"

What I will furnish

Money for the pigs and labor for their daily care.

EXAMPLE 2: "Half the seeds and all labor for planting, cultivating, harvesting, and marketing"

Half the seeds and all labor for planting, cultivating, harvesting, and marketing.

EXAMPLE 3: "Labor for daily care of animals. All supplies"

Labor for daily care of animals. All supplies.

3. Number three says, "What the other party will furnish."

EXAMPLE 1: "Father will furnish the barn lot, feeders and utilities in exchange for 10 hours labor each

3. What the other party will furnish

Father will furnish the barn lot, feeders and utilities in exchange for 10 hours labor each...

week. He will also co-sign for credit that will pay for feed and medicine."

EXAMPLE 2: "Mrs. Curry will furnish one acre of land and half of the seed."

Mrs. Curry will furnish one acre of land and half of the seed.

EXAMPLE 3: "Mr. Jackson will furnish the does, buck and cages."

Mr. Jackson will furnish the does, buck and cages.

4. Number four says, "What part of the returns I will receive."

4. What part of the returns I will receive

EXAMPLE 1: "I will receive all profits after the bills for feed, medicine, and hauling to market are paid."

I will receive all profits after the bills for feed, medicine, and hauling to market are paid.

EXAMPLE 2: "I will receive two-thirds of the profit, out of which I will pay for cultivation equipment and the cost of hauling to market."

I will receive two-thirds of the profit, out of which I will pay for cultivation equipment and the cost of hauling to market.

EXAMPLE 3: "I will receive half of the rabbits raised."

I will receive half of the rabbits raised.

5. Number five says, "What part of the returns the other party will receive."

5. What part of the returns the other party will receive

EXAMPLE 1: "Father will receive 10 hours of labor for use of the barn lot, feeders, and utilities."

Father will receive 10 hours of labor for use of the barn lot, feeders, and utilities.

EXAMPLE 2: "Mrs. Curry will receive one-third of the profit of rent of the acre of land."

Mrs. Curry will receive one-third of the profit of rent of the acre of land.

EXAMPLE 3: "Mr. Jackson will receive one-half of the rabbits raised."

Mr. Jackson will receive one-half of the rabbits raised.

6. Number six says, "Other agreements."

6. Other agreements

EXAMPLE 1:	"I will work for Jack's Trucking Service for $4.00 per hour to pay for hauling the feeder pigs to market."	I will work for Jack's Trucking Service for $4.00 per hour to pay for hauling the feeder pigs to market.
EXAMPLE 2:	"Dad will furnish the equipment for cultivation in exchange for my labor in tilling the family garden."	Dad will furnish the equipment for Cultivation in exchange for my labor in tilling the family garden.
EXAMPLE 3:	"I will sweep out the feed store each day in exchange for feed for the rabbits."	I will sweep out the feed store each day in exchange for feed for the rabbits.

DO SKILL SHEET 1

DO ACTIVITY SHEET 1

OWNERSHIP BUSINESS AGREEMENT

SKILL SHEET 1

Directions: Choose the correct letter and write it in the blank.

a. Agriculture instructor
b. Parent
c. Student
d. Other party

____ 1. Who will guide the student through the SAE?

____ 2. Who will give the student advice and support throughout the project?

____ 3. Who will be kept informed about the work experience project?

____ 4. Who often provides, for the student, financial assistance or items in exchange for labor?

____ 5. Who develops a plan and keeps accurate records?

____ 6. Who may provide a work opportunity or financial assistance?

____ 7. Who will see that the Ownership Business Agreement is consistent with the planned budget?

____ 8. Whom is made aware of the entire plan?

____ 9. Who provides the record-keeping forms?

____ 10. Who teaches the student how to keep accurate records?

OWNERSHIP BUSINESS AGREEMENT

ACTIVITY SHEET 1

Directions: Design your own sample business. Write the agreements you would make in your business.

1. Kind, size, and duration of project

2. What I will furnish

3. What the other party will furnish

4. What part of the returns I will receive

5. What part of the returns the other party will receive

6. Other agreements

OWNERSHIP BUSINESS AGREEMENTS

LESSON TEST

Directions: Look back at the lesson to answer the questions below. If he or she wishes, your teacher may ask you to answer the questions out loud.

1. List the six sections of Form 100.

   (1)
   (2)
   (3)
   (4)
   (5)
   (6)

2. List the four people who sign Form 100.

   (1)
   (2)
   (3)
   (4)

OWNERSHIP BUSINESS AGREEMENTS

PERFORMANCE CHECKLIST

Student ______________________ successfully performed the following tasks:

	YES	NO	COMMENTS
1. Identified the proper form used for an Ownership Business Agreement			
2. Told who is involved in an Ownership Business Agreement			
3. Entered proper information under the six divisions on the form			
4. Listed the people who sign the Ownership Business Agreement form			
5. Explained why an Ownership Business Agreement is signed			

Satisfactory - should move on ☐

Should repeat this unit ☐

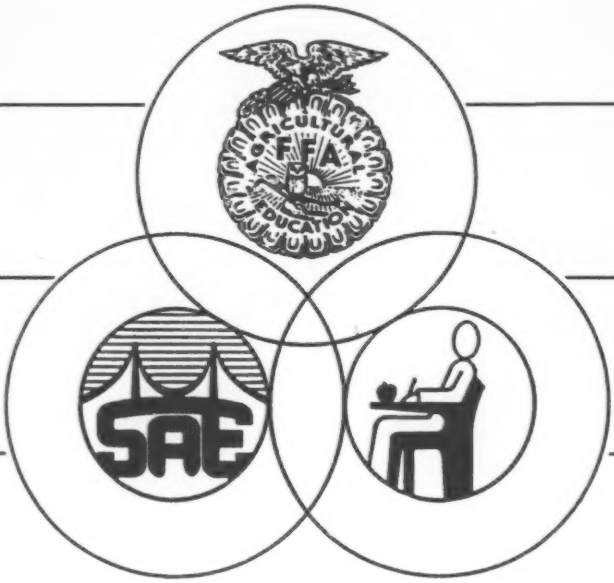
____
Student's Signature/Date

____
Instructor's Signature/Date

Supplementary Units 90-1000-S

Agricultural Record Keeping

Placement Training Agreements


AGRICULTURAL
FFA
EDUCATION
SAE

MISSOURI AGRICULTURAL EDUCATION

Instructional Materials Laboratory, University of Missouri-Columbia, Columbia, Missouri

PLACEMENT TRAINING AGREEMENTS

INTRODUCTION

The Placement Training Agreement is a contract that shows the responsibilities of all parties involved in the Supervised Agricultural Experience (SAE). All parties should read and understand the agreement before they sign it.

LESSON OBJECTIVE

After you complete this lesson, you will be able to properly use a Placement Training Agreement.

STUDY QUESTIONS

After you complete this lesson, you should be able to answer these questions:

1. What are the forms used for the Placement Training Agreement?
2. Who is involved in developing a Placement Training Agreement?
3. How is a Placement Training Agreement completed?
4. Who signs a Placement Training Agreement?
5. Why is a Placement Training Agreement signed?

Put a check beside the statement that is true for you.

☐ **I can do these tasks and want to go through the Performance Checklist.**

SEE YOUR INSTRUCTOR

☐ **I want to study the information in this unit before I do the Performance Checklist.**

TURN PAGE AND BEGIN

A. TERMS

1. **Acquaint** - to make familiar, to show or tell about something or someone.
2. **Appraisal** - a judgment about the quality or worth of an object.
3. **Assume** - to accept responsibility for, to take over.
4. **Discretion** - the freedom to make a decision.
5. **Enable** - to help, assist or make able.
6. **Ensure** - to guarantee, to make safe, to protect, to secure.
7. **Evaluate** - to give a grade or to make suggestions for improvement.
8. **Hazards** - things that are unsafe.
9. **Insure** - (on Form 101, "insure" is used in the same way as "ensure." See above.) Insure usually means "to contract to be paid, or to pay, money in the case of a loss."
10. **Justify** - to give a reason for doing something.
11. **Mutual** - a situation, agreement or action in which two or more people share responsibilities and benefits, something done or felt by each of two or more people.
12. **Periodically** - once in a while, usually at intervals (time periods) of time that are somewhat regular.
13. **Prior** - before.
14. **Punctual** - on time, prompt.

15. **Systematic** - made or arranged according to a system, plan, method, or step-by-step procedure.

16. **Terminating** - ending.

B. THE PLACEMENT TRAINING AGREEMENT

The people involved in developing the Placement Training Agreement are the (1) student, (2) teacher/coordinator, (3) parent(s) and (4) employer. These four people sign the Placement Training Agreement to show that each has read and understood the responsibilities of each person involved.

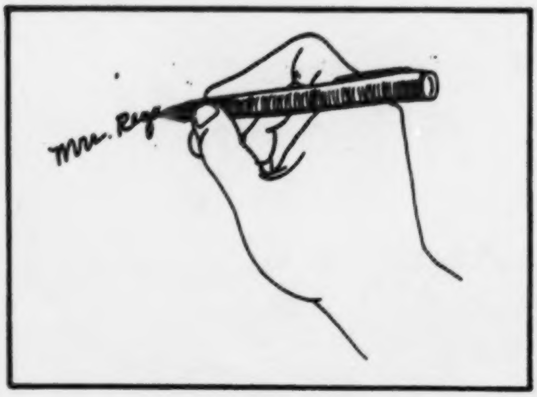
The Placement Training Agreement is useful because it can prevent problems and pinpoint difficulties. It is also useful for reviewing exactly what each person agreed to do. It can be used in case someone does not keep his or her end of the bargain.

1. The **student**'s signature means he or she understands that the work done must make money for the employer. It means that when work needs to be done, the student is agreeing to: (1) be on time, (2) get along with other people on the job, (3) follow instructions and (4) think about other work that needs to be done.

Doing the work without the employer's having to ask is good business practice.

2. The **teacher**'s signature means he or she promises to: (1) teach at school things that will help the student on the job, (2) visit the job site and supervise the student, (3) work with the student, parents and employer to make the SAE the best it can be, (4) provide the paper work and (5) give a grade for the project.

3. The **parent**'s signature means he or she: (1) is allowing the student to do a SAE, (2) will provide transportation and (3) will cooperate with the teacher and employer. The parent assumes



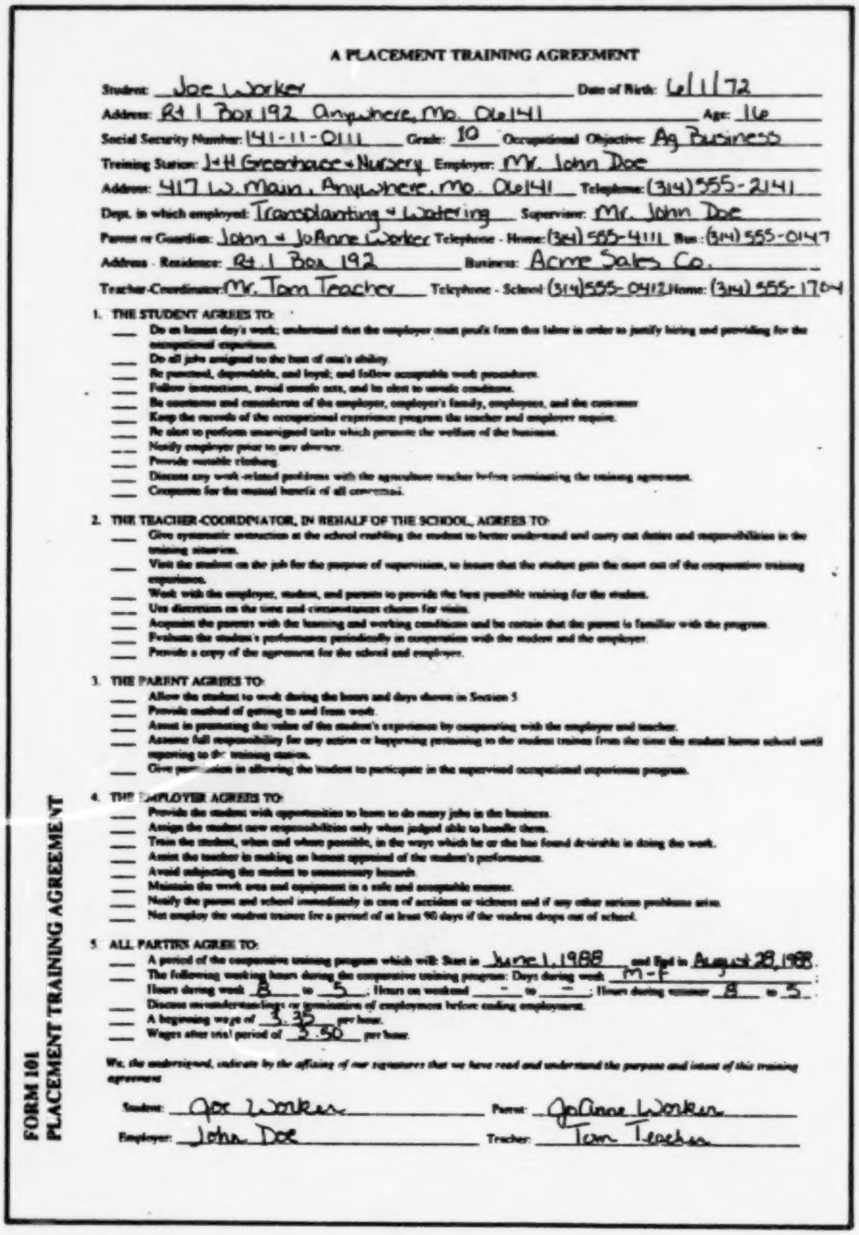
responsibility for actions that occur between school and the job site.

4. The **employer**'s signature means he or she promises to: (1) train the student, (2) not give the student unnecessary or hazardous work, (3) keep the work environment as safe as possible, (4) report any accident or sickness immediately and (5) not employ a student dropout for at least 90 days.

5. All parties agree: (1) on a time of employment, (2) on the wage to be paid and (3) to discuss any problems before the student is fired from the job.

C. FORMS USED FOR THE PLACEMENT TRAINING AGREEMENT

Forms 101 and 102 are used for Placement Training Agreements. The forms are white. Form 101 is on the back of Form 100, "Ownership Business Agreement."



A PLACEMENT TRAINING AGREEMENT

Student: Joe Worker Date of Birth: 6/1/72
Address: Rt 1 Box 192 Anywhere, Mo. 06141 Age: 16
Social Security Number: 141-11-0111 Grade: 10 Occupational Objective: Ag Business
Training Station: J+H Greenhouse + Nursery Employer: Mr. John Doe
Address: 417 W. Main, Anywhere, Mo. 06141 Telephone: (314) 555-2141
Dept. in which employed: Transplanting + Watering Supervisor: Mr. John Doe
Parent or Guardian: John + JoAnne Worker Telephone - Home: (314) 555-4111 Bus: (314) 555-0147
Address - Residence: Rt. 1 Box 192 Business: Acme Sales Co.
Teacher-Coordinator: Mr. Tom Teacher Telephone - School (314) 555-0412 Home: (314) 555-1704

1. THE STUDENT AGREES TO:

___ Do an honest day's work; understand that the employer must profit from this labor in order to justify hiring and providing for the occupational experience.
___ Do all jobs assigned to the best of one's ability.
___ Be punctual, dependable, and loyal; and follow acceptable work procedures.
___ Follow instructions, avoid unsafe acts, and be alert to unsafe conditions.
___ Be courteous and considerate of the employer, employer's family, employees, and the customer.
___ Keep the records of the occupational experience program the teacher and employer require.
___ Be alert to perform unassigned tasks which promote the welfare of the business.
___ Notify employer prior to any absence.
___ Provide suitable clothing.
___ Discuss any work-related problems with the agriculture teacher before terminating the training agreement.
___ Cooperate for the mutual benefit of all concerned.

2. THE TEACHER-COORDINATOR, IN BEHALF OF THE SCHOOL, AGREES TO:

___ Give systematic instruction at the school enabling the student to better understand and carry out duties and responsibilities in the training situation.
___ Visit the student on the job for the purpose of supervision, to insure that the student gets the most out of the cooperative training experience.
___ Work with the employer, student, and parents to provide the best possible training for the student.
___ Use discretion on the time and circumstances chosen for visits.
___ Acquaint the parents with the learning and working conditions and be certain that the parent is familiar with the program.
___ Evaluate the student's performance periodically in cooperation with the student and the employer.
___ Provide a copy of the agreement for the school and employer.

3. THE PARENT AGREES TO:

___ Allow the student to work during the hours and days shown in Section 5
___ Provide method of getting to and from work.
___ Assist in promoting the value of the student's experience by cooperating with the employer and teacher.
___ Assume full responsibility for any action or happening pertaining to the student trainee from the time the student leaves school until reporting to the training station.
___ Give permission in allowing the student to participate in the supervised occupational experience program.

4. THE EMPLOYER AGREES TO:

___ Provide the student with opportunities to learn to do many jobs in the business.
___ Assign the student new responsibilities only when judged able to handle them.
___ Train the student, when and where possible, in the ways which he or she has found desirable in doing the work.
___ Assist the teacher in making an honest appraisal of the student's performance.
___ Avoid subjecting the student to unnecessary hazards.
___ Maintain the work area and equipment in a safe and acceptable manner.
___ Notify the parent and school immediately in case of accident or sickness and if any other serious problems arise.
___ Not employ the student trainee for a period of at least 90 days if the student drops out of school.

5. ALL PARTIES AGREE TO:

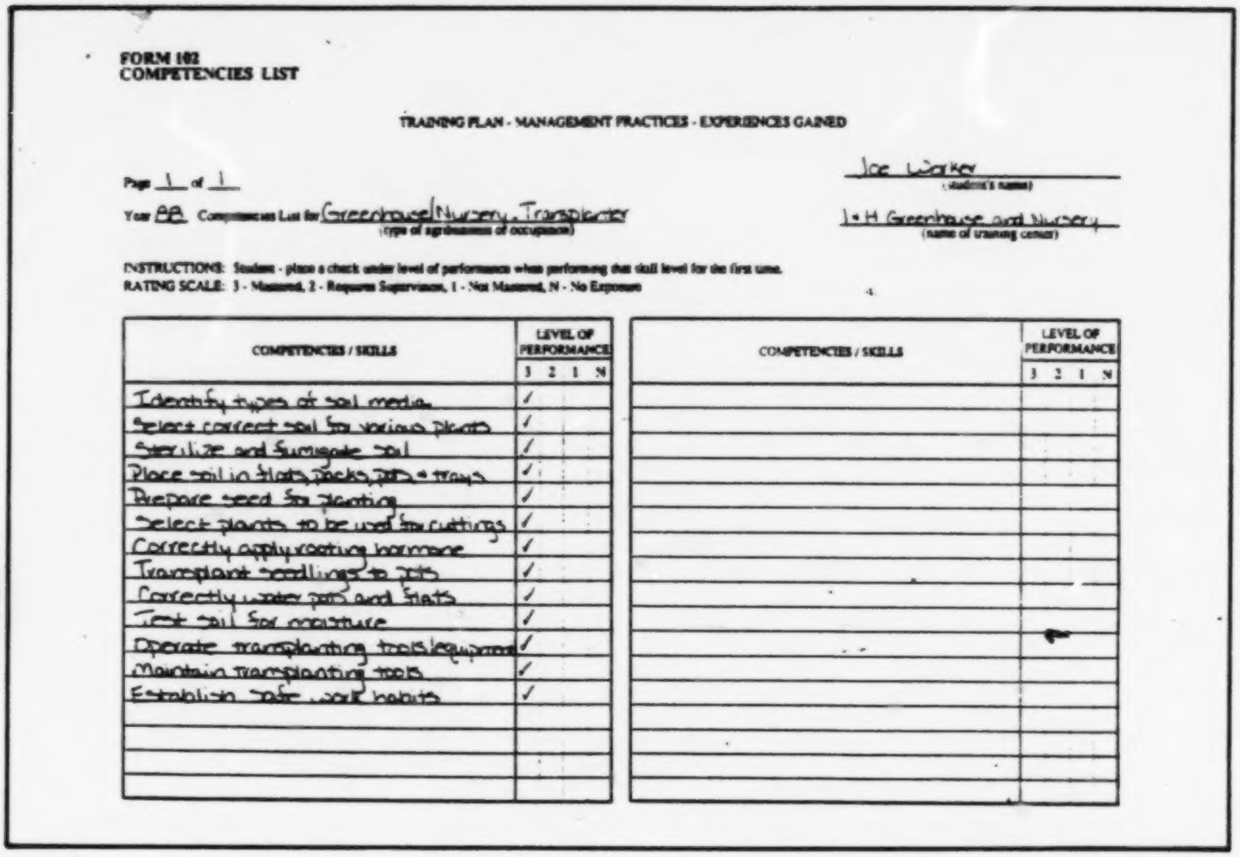
___ A period of the cooperative training program which will: Start in June 1, 1988 and End in August 28, 1988.
___ The following working hours during the cooperative training program: Days during week M-F;
Hours during week 8 to 5; Hours on weekend - to -; Hours during summer 8 to 5.
___ Discuss misunderstandings or termination of employment before ending employment.
___ A beginning wage of 3.35 per hour.
___ Wages after trial period of 3.50 per hour.

We, the undersigned, indicate by the affixing of our signatures that we have read and understand the purpose and intent of this training agreement.

Student: Joe Worker Parent: JoAnne Worker
Employer: John Doe Teacher: Tom Teacher

FORM 101
PLACEMENT TRAINING AGREEMENT

- Form 102 provides a place to list the student's long-term goal as well as the specific skills to be development during the placement training.



FORM 102
COMPETENCIES LIST

TRAINING PLAN - MANAGEMENT PRACTICES - EXPERIENCES GAINED

Page 1 of 1
Year 88 Competencies List for Greenhouse/Nursery, Transplanter (type of agribusiness of occupation)

Joe Worker (student's name)
J + H Greenhouse and Nursery (name of training center)

INSTRUCTIONS: Student - place a check under level of performance when performing that skill level for the first time.
RATING SCALE: 3 - Mastered, 2 - Requires Supervision, 1 - Not Mastered, N - No Exposure

COMPETENCIES / SKILLS	LEVEL OF PERFORMANCE				COMPETENCIES / SKILLS	LEVEL OF PERFORMANCE			
	3	2	1	N		3	2	1	N
Identify types of soil media	✓								
Select correct soil for various plants	✓								
Sterilize and fumigate soil	✓								
Place soil in flats, packs, pots + trays	✓								
Prepare seed for planting	✓								
Select plants to be used for cuttings	✓								
Correctly apply rooting hormone	✓								
Transplant seedlings to pots	✓								
Correctly water pots and flats	✓								
Test soil for moisture	✓								
Operate transplanting tools/equipment	✓								
Maintain transplanting tools	✓								
Establish safe work habits	✓								

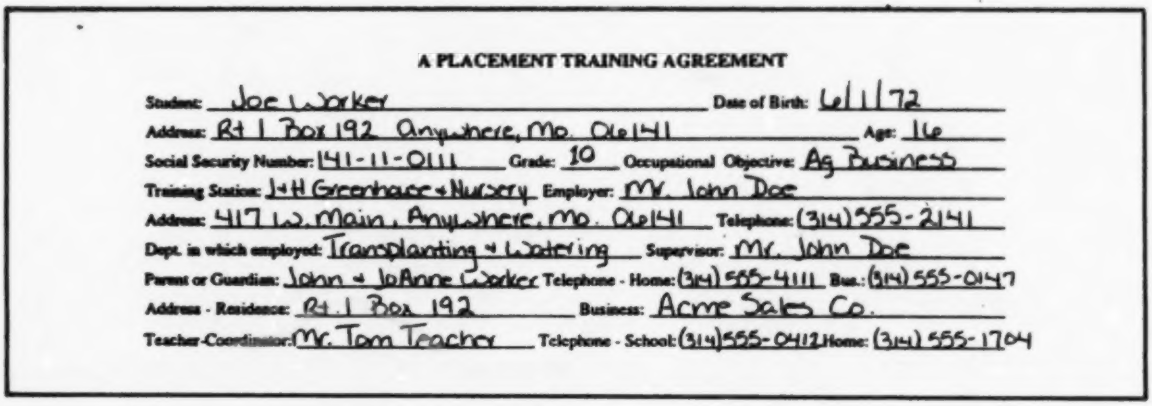
D. FORM 101

1. Information about the student, employer, parent and teacher goes in the blanks at the top. Correctly fill in the student's birth date, social security number, address, age and grade.

The "occupational objective" is the career that the student would like to pursue as an adult.

The "training station" is the name of the business for which the student will be working. If there is no "department in which (the student is) employed," write "N/A" (Not Applicable) in the blank.

There are blanks for the names, phone numbers and addresses (home and business) of the employer and the parent. There are also spaces for the teacher's home and business phone numbers.



A PLACEMENT TRAINING AGREEMENT

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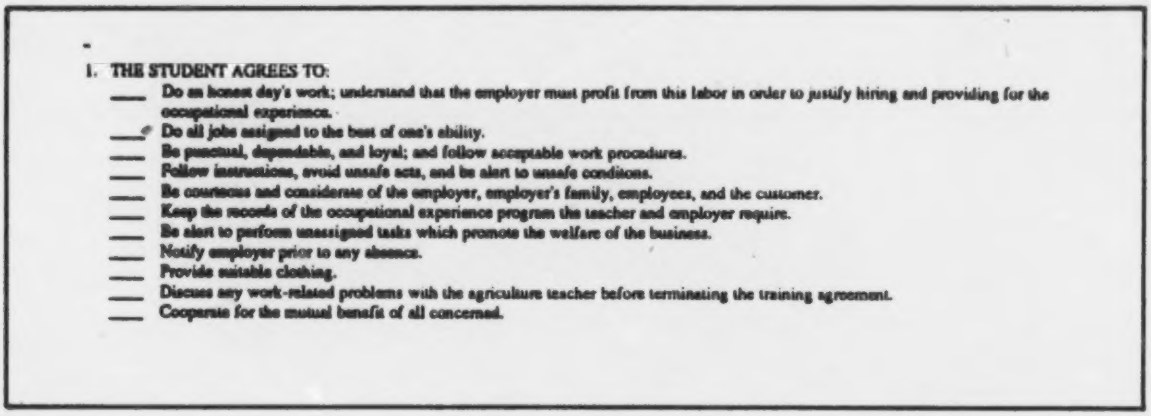
Parent or Guardian: John + JoAnne Worker Telephone - Home: (314) 555-4111 Bus.: (314) 555-0147
Address - Residence: Rt. 1 Box 192 Business: Acme Sales Co.
Teacher-Coordinator: Mr. Tom Teacher Telephone - School: (314) 555-0412 Home: (314) 555-1704

NOTE: Make a habit of filling in every blank on business forms, using an "N/A" when needed, so the employer will not think you skipped a blank on purpose.

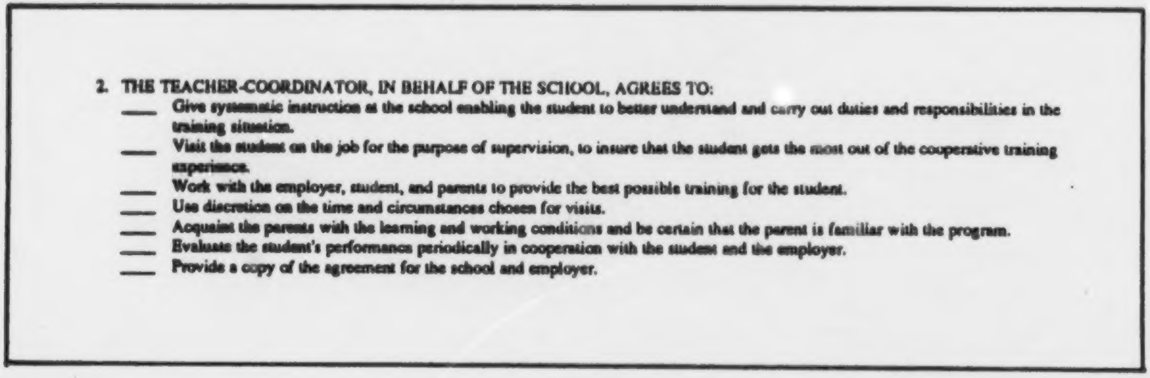
2. In part "1," there is a list of things the student agrees to do.



1. THE STUDENT AGREES TO:

___ Do an honest day's work; understand that the employer must profit from this labor in order to justify hiring and providing for the occupational experience.
___ Do all jobs assigned to the best of one's ability.
___ Be punctual, dependable, and loyal; and follow acceptable work procedures.
___ Follow instructions, avoid unsafe acts, and be alert to unsafe conditions.
___ Be courteous and considerate of the employer, employer's family, employees, and the customer.
___ Keep the records of the occupational experience program the teacher and employer require.
___ Be alert to perform unassigned tasks which promote the welfare of the business.
___ Notify employer prior to any absence.
___ Provide suitable clothing.
___ Discuss any work-related problems with the agriculture teacher before terminating the training agreement.
___ Cooperate for the mutual benefit of all concerned.

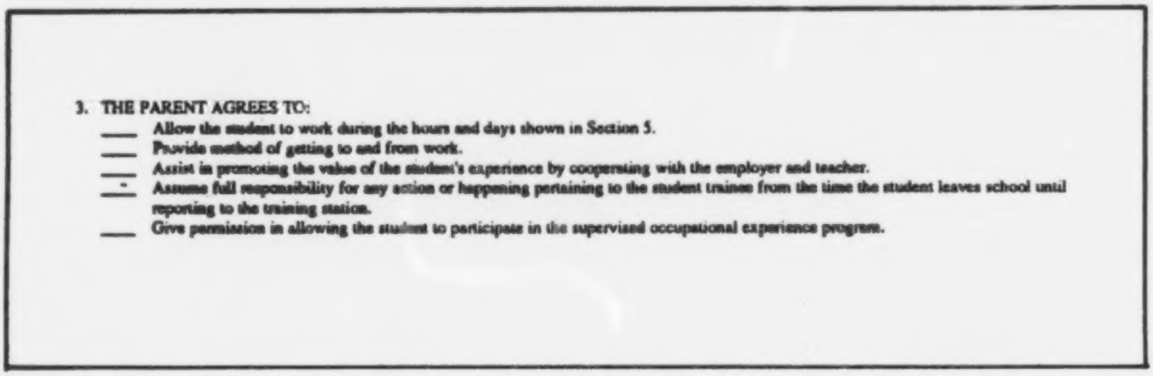
3. In part "2," there is a list of things the teacher agrees to do.



2. THE TEACHER-COORDINATOR, IN BEHALF OF THE SCHOOL, AGREES TO:

___ Give systematic instruction at the school enabling the student to better understand and carry out duties and responsibilities in the training situation.
___ Visit the student on the job for the purpose of supervision, to insure that the student gets the most out of the cooperative training experience.
___ Work with the employer, student, and parents to provide the best possible training for the student.
___ Use discretion on the time and circumstances chosen for visits.
___ Acquaint the parents with the learning and working conditions and be certain that the parent is familiar with the program.
___ Evaluate the student's performance periodically in cooperation with the student and the employer.
___ Provide a copy of the agreement for the school and employer.

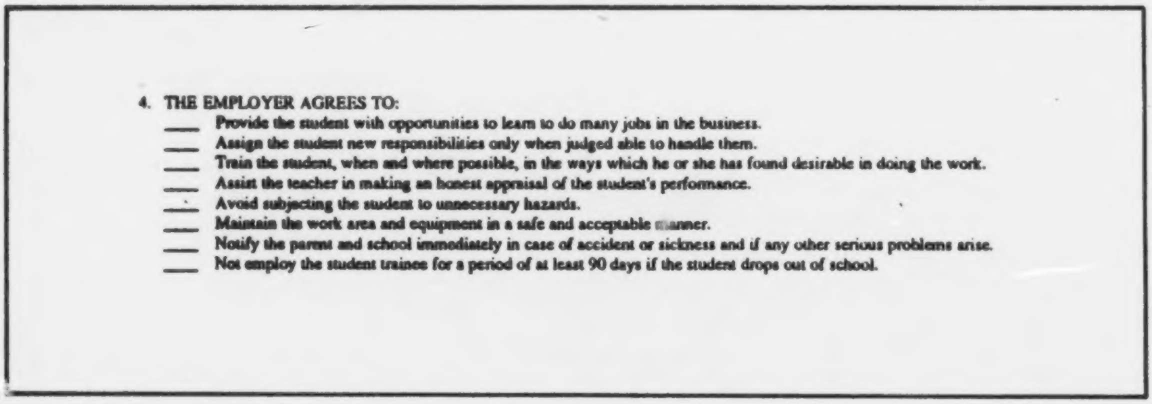
4. In part "3," there is a list of things the parent agrees to do.



3. THE PARENT AGREES TO:

____ Allow the student to work during the hours and days shown in Section 5.
____ Provide method of getting to and from work.
____ Assist in promoting the value of the student's experience by cooperating with the employer and teacher.
____ Assume full responsibility for any action or happening pertaining to the student trainee from the time the student leaves school until reporting to the training station.
____ Give permission in allowing the student to participate in the supervised occupational experience program.

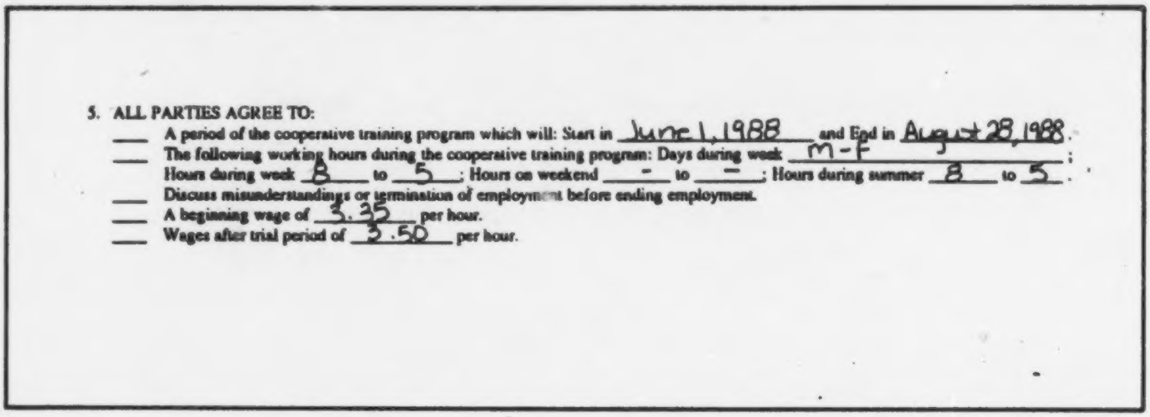
5. In part "4," there is a list of things the employer agrees to do.



4. THE EMPLOYER AGREES TO:

____ Provide the student with opportunities to learn to do many jobs in the business.
____ Assign the student new responsibilities only when judged able to handle them.
____ Train the student, when and where possible, in the ways which he or she has found desirable in doing the work.
____ Assist the teacher in making an honest appraisal of the student's performance.
____ Avoid subjecting the student to unnecessary hazards.
____ Maintain the work area and equipment in a safe and acceptable manner.
____ Notify the parent and school immediately in case of accident or sickness and if any other serious problems arise.
____ Not employ the student trainee for a period of at least 90 days if the student drops out of school.

6. In part "5," the parties agree on a time for the work and the wage to be paid. The student and teacher should discuss what terms should go in the blanks. All blanks must be filled in before they are checked and agreed to.



5. ALL PARTIES AGREE TO:

___ A period of the cooperative training program which will: Start in June 1, 1988 and End in August 28, 1988.

___ The following working hours during the cooperative training program: Days during week M-F; Hours during week 8 to 5; Hours on weekend - to -; Hours during summer 8 to 5.

___ Discuss misunderstandings or termination of employment before ending employment.

___ A beginning wage of 3.35 per hour.

___ Wages after trial period of 3.50 per hour.

7. After all information is filled in, it is best if all parties meet and check off each item as it is read. In case all cannot meet at the same time, each person should read everything on the agreement before signing it.

8. Each party involved in the SAE must then sign on his or her appropriate line. The agreement is not complete or binding until the form is signed by all parties to the agreement. By signing, each person is saying he or she has read it and agrees to all the terms written in the agreement.

We, the undersigned, indicate by the affixing of our signatures that we have read and understand the purpose and intent of this training agreement.

Student: Joe Worker **Parent:** JoAnne Worker

Employer: John Doe **Teacher:** Tom Teacher

E. FORM 102

Form 102 provides space for the students to list the competencies or skills they hope to develop during the training program.

COMPETENCIES / SKILLS	LEVEL OF PERFORMANCE 3	2	1	N
Identify types of soil media	✓			
Select correct soil for various plants	✓			
Sterilize and fumigate soil	✓			
Place soil in flats, packs, pots, + trays	✓			
Prepare seed for planting	✓			
Select plants to be used for cuttings	✓			
Correctly apply rooting hormone	✓			
Transplant seedlings to pots	✓			
Correctly water pots and flats	✓			
Test soil for moisture	✓			
Operate transplanting tools/equipment	✓			
Maintain transplanting tools	✓			
Establish safe work habits	✓			

DO SKILL SHEET 1

PLACEMENT TRAINING AGREEMENTS

SKILL SHEET 1

Directions: Use the information in this lesson and Form 101, the Placement Training Agreement, to answer the following statements. In the blank beside each statement, put a "T" if the statement is true and an "F" if the statement is false.

____ 1. The student should understand that he or she must do an honest day's work and not just spend time at the job site.

____ 2. The student has the right to be late to work if he or she can get all the work done before leaving.

____ 3. It is O.K. to criticize the employer to your friends.

____ 4. After discussing it with the boss, an employee should follow instructions even if the employee thinks he or she knows a better way. After all, the boss is paying the bill.

____ 5. It is all right to use loud and vulgar language on the job.

____ 6. If the student must miss work for illness or business, the employer should be notified in advance.

____ 7. Talk with the agriculture teacher before quitting the job.

____ 8. One should not worry about safety if the job can be done more quickly without using the safeguards.

____ 9. The student should check with the employer if there is a question about suitable clothing.

____ 10. Records are just a nuisance; it does not matter if the student keeps them or not.

____ 11. The employer is giving the student a job just to help out the school, so it does not matter whether the student's work earns the employer a profit.

____ 12. If other people are working slower than you, there is no need to do your best.

____ 13. If the employer requires you to do work that is unsafe, you should report it to the teacher.

____ 14. All employers enjoy being the boss and telling you several times do a job.

____ 15. It is acceptable to quit school and go to work full time for the employer as long as he promises you a permanent job with a good raise.

PLACEMENT TRAINING AGREEMENTS

LESSON TEST

Directions: Circle the letter of the answer that best completes each sentence below.

1. The forms used for Placement Training Agreements are

    a. Forms 100 & 101.
    b. Forms 101 & 102.
    c. Forms 100 & 102.
    d. Forms 102 & 103.

2. Each party involved in the SAE project must sign Form 101. If the student signs it, it means

    a. the information was unclear.
    b. the student never read the information.
    c. the student neither read the information nor understood it.
    d. the student read and understood the information.

3. Once the document is signed, it becomes a ______________________ and ______________________ contract.

a. legal, binding
b. null, void
c. worthless, useless
d. none of the above

4. The forms used for Placement Business Agreements are color-coded

a. green.
b. pink.
c. grey.
d. white.

Directions: Answer the question below.

5. List the four people who sign Form 101.

(1)____
(2)____
(3)____
(4)____

PLACEMENT TRAINING AGREEMENTS

PERFORMANCE CHECKLIST

Student ______________________ successfully performed the following tasks:

	YES	NO	COMMENTS
1. Identified the form used for a Placement Training Agreement			
2. Told who is involved in a Placement Training Agreement			
3. Explained how to complete the Placement Training Agreement forms			
4. Listed the people who sign the Placement Training Agreement form			
5. Explained why a Placement Training Agreement is signed			

Satisfactory - should move on ☐

Should repeat this unit ☐

______________________ Student's Signature/Date

______________________ Instructor's Signature/Date